MARKETING & MEDIA DECISIONS

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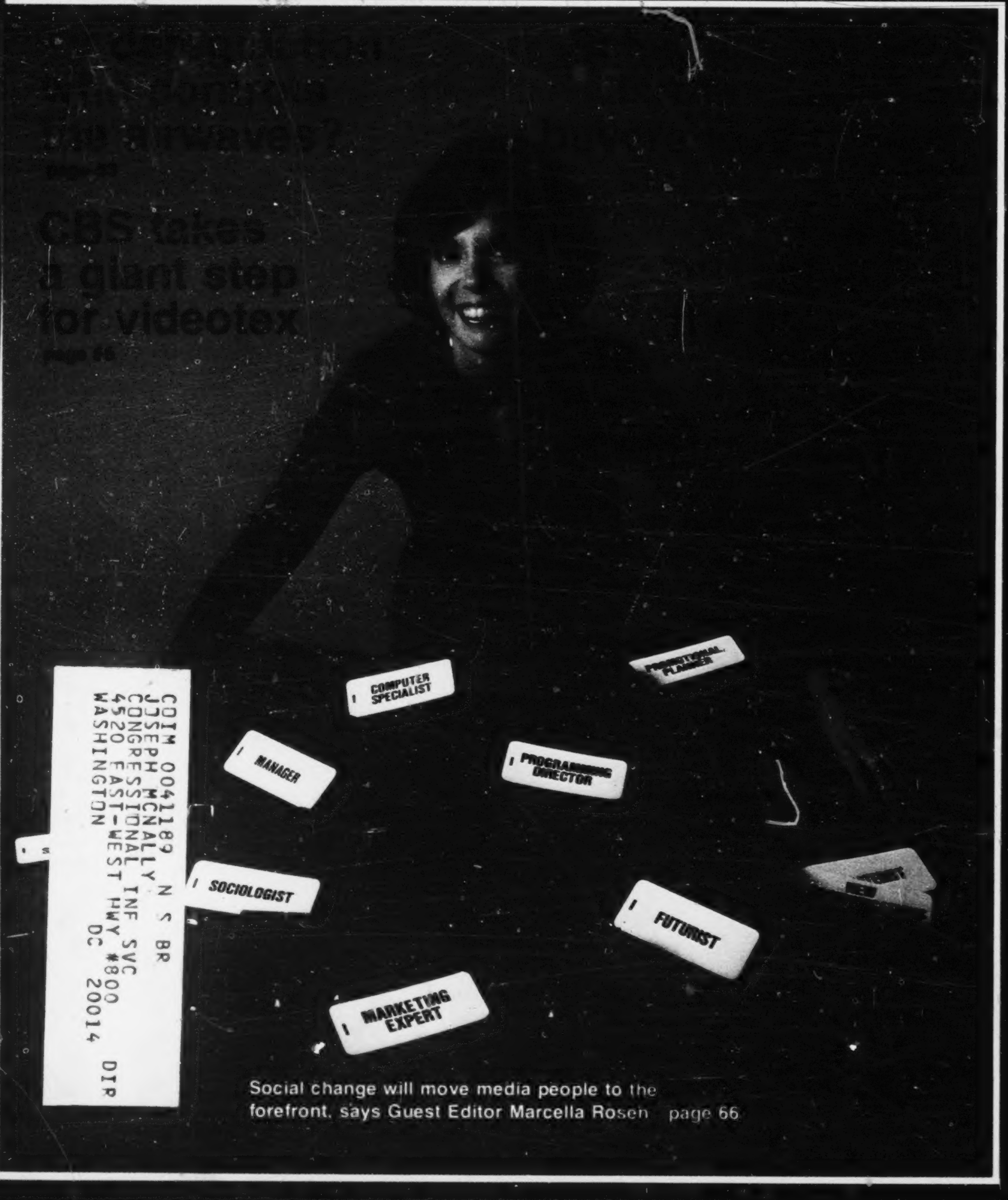
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Social change will move media people to the forefront, says Guest Editor Marcella Rosen page 66

MARKETING & MEDIA

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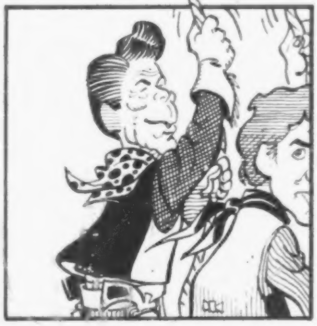

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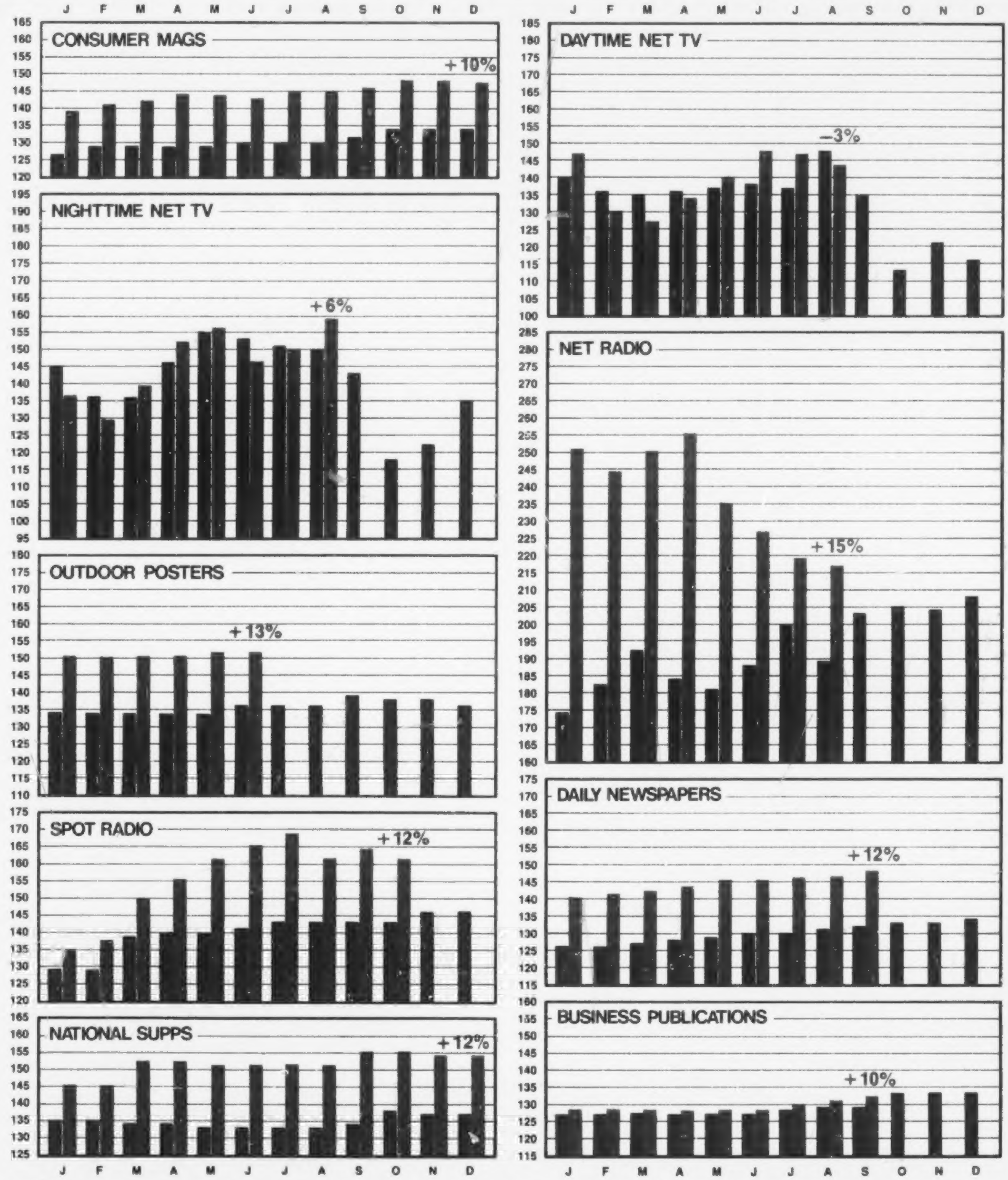
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page.

COST TRENDS
a Decisions analysis

Magazine costs get an unusual amount of attention at this time of year. Because of the timing of rate hikes, they tend to come at year's end. This year is normal in that respect. Our "New in Media" column in the November issue carried a string of such notices.

The average increase is about 10% — in line with estimates for consumer magazine rate increases for calendar year 1982 that were forecast by *Decisions* last August. And the monthly index on the page opposite also shows a 10% increment in cost.

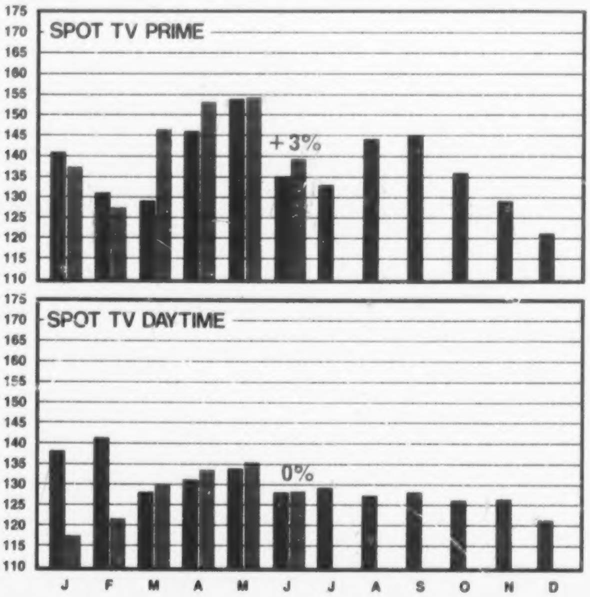
Among typical rate rises for 1982 are *New York* magazine, up 10%; *Outdoor Life*, plus 12%; *Time*, plus 11.6%, *People*, up 14.5%: *Changing Times*, plus 10%, *Science 81*, plus 40%; *Life*, plus 9%; *Field & Stream*, plus 10%; *Self*, plus 49%; *Golf*, plus 12%; *Money*, plus 18%; *Us*, plus 9.5%; *Mechanix Illustrated*, plus 7%; *Fortune*, plus 10%.

Advertisers and their agencies are alarmed by the increases — however much they may be justified by rising paper/printing/postage/people costs and circulation increases (that may keep cpm's in line or actually lower them). They point out that relatively high entry costs keep a lot of advertisers out of tv. They worry about the same situation developing for the magazine medium.

Advertiser interests in ways to stay in magazines without upping total expenditures is high. They are more willing to try new books — with limited target audiences.

More of them are buying multiproduct inserts — à la the special advertiser sections in *Reader's Digest*.

More of them are paying the cpm premium for regional and demographic splits in order to hold down entry fees. For some advertisers, a regional, multi-page blockbuster is more merchandisable than an every-issue schedule in the full run. Several magazines have spotted this trend and have already responded with new splits.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

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on a market for sales greater than several States!

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on the one medium that daily delivers nearly half the households in a market for sales greater than several States!

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Manufacturers of over-the-counter pharmaceuticals spent over $520 million last year advertising an endless slew of new, improved, extra-strength ways to stop headache pain, runny noses and itchy eyes. The medium of choice for these products is television, and network tv is the primary benefactor. Still, media planning is not as simple as attaining shotgun exposure on tv.

Brand report 71

Pharmaceuticals

The over-the-counter pharmaceutical market is fiercely competitive, and filled with quirks. It is cluttered with established brand names, and their new, improved sibling products now available in capsule, tablet or liquid form.

The cure for the marketing headaches this competition creates, according to pharmaceutical marketers, is a heavy dosage of network television.

The reliance on tv and the heavy concentration of media dollars during the first and fourth quarters — the prime seasons for sneezes, sniffles and all-around aches and pains — has made the proprietary media pie enormous and well worth the fight. According to Leading National Advertisers and Media Records, over-the-counter pharmaceuticals manufacturers spent over $520 million in media last year advertising cold remedies, sinus and cough aids, digestive aids, antacids and laxatives, medicated skin products and other miscellaneous medicines.

As with perhaps no other industry, proprietary manufacturers place a greater emphasis on the importance of the media campaign to give their brands an edge in a very crowded field. A recently released Federal Trade Commission study of 217 industries' spending on media as a percent of sales revealed that drugs and proprietaries dominate the field.

Over 20% of over-the-counter pharmaceutical sales dollars in 1975 were spent on advertising, according to the report. Only seven of the 217 industries devoted more than 10% of sales to advertising media.

The FTC report also showed that proprietary manufacturers that year spent only 2.8% of sales on research and development, even though the entire market is susceptible to sudden medical and chemical breakthroughs and improvements.

The message seems to be that the pharmaceutical marketer must come up with the new and improved remedy in order to remain in the competitive stakes, but to win the game it must engage in a very costly, head-to-head major media campaign to get its message across to consumers in a media marketplace cluttered with competitors.

The clutter effect results, in part, from the sheer number of product ad campaigns that converge overnight on the network schedule as the first chilling winds sweep down upon the major markets, and last until the first signs of Spring (when allergy remedies pick up the slack).

But the clutter stems also from the almost universal application of the shotgun technique to media planning. The target audience for most of the products included in this brand category is either every adult or every child. With the trend toward distributing over-the-counter pharmaceuticals to grocery stores and supermarkets as well as drug stores, the target demographic also parallels that for any packaged good product sold through groceries. In the media plan, the goal is to reach as many consumers as possible. Finely targeted marketing, as a whole, is lost on these marketers.

"We concentrate on network radio instead of spot radio," said Irwin Fleischer, media director at Richardson-Vicks, discussing the media mix for the $3.3 million 1980 campaign for Clearasil Medication. More than 25% of the ad budget went to network radio, according to LNA. "We went with network over spot because we are a national brand."

The same argument holds true for the brand category's preference for network television over spot tv buys. Of the $520 million total media expenditures last year, over 60% was spent on network tv, with another 15% going to spot tv.

Commented one ad director at a major pharmaceutical house, "There's nothing crystal ball about it. Television is the battleground for the analgesic category."

The LNA figures for spot buys may be slightly inflated, too, as they incorporate some national syndication buys in the totals.

Bob Geller, director of Adforce, the in-house media agency at Pfizer, explained that a $638,800 spot tv campaign for 1980 and the $1.2 million spot tv buys in 1979 as recorded by LNA for Pfizer's Ben-Gay analgesic ointment are really misrepresentations of the firm's involvement in the spot market.

"The use of spot as reported by LNA," said Geller, "was actually our buying into *Hee Haw* and *The Law-*

rence Welk Show in the top 200 markets. These were non-network shows with network delivery. We would not call that spot buying. We dropped out of the shows completely when it became apparent that they weren't delivering the audience we wanted, and now we are completely on network tv."

Pfizer last year ranked ninth among proprietary manufacturers in advertising dollars at $16.6 million.

Magazines are used for both new product launchings and testings, and for multi-product campaigns following up on several related campaigns that have already been established through television exposure.

In the case of Bristol-Myers' Comtrex cold medicine line, ad budgets for the liquid and tablets forms of the remedy were cut 94% in 1980, according to LNA, while Comtrex multi-product advertising increased more than $7.3 million to $11.7 million, with magazine advertising increasing four-fold to $1 million.

In total, LNA reports that over-the-counter pharmaceutical advertisers as defined in this report spent about $40 million in magazines last year, or less than 10% of the total brand category ad expenditures.

While there may be "no crystal ball" effect in the marketing of proprietaries, it's not as simple as buying blanket coverage on network prime-time, backed up with a modest print campaign. There are quirks to the business, and some are self-imposed.

For example, the industry professes to include some of the most "program content conscious" advertisers on tv. Most of the major brand category advertisers are such heavy users of network tv that they are able to routinely pre-screen episodes of programs and decide whether to pull a commercial because of any possible offensive language, action or theme in the show.

Richardson-Vicks, for instance, has pre-screened its programs for more than 10 years, refusing to sponsor any particular show that contained, in Richardson-Vicks's opinion, gratuitous sex or violence, the use or abuse of narcotics, and other aspects that do not meet the corporation's general parameters of good taste.

Despite the industry's professed concern for and attentiveness to program content, several pharmaceutical marketers this year were cited by Moral Majority-affiliated groups and other so-called decency coalitions as sponsors of television's most sexually offensive and violence oriented programs on network tv.

The National Federation for Decency, an affiliate organization of the arch conservative Coalition for Beter Television, cited Warner-Lambert, a $16 million pharmaceutical advertiser, Beecham, a $7 million advertiser in network tv exclusively, Noxell and Pfizer as advertisers on the "most sexually offensive" shows. The programs included *Three's Company*, *Soap*, *Laverne & Shirley*, *Happy Days*, *Taxi* and *Too Close for Comfort*.

> **"... There is nothing crystal ball about it. Television is the battleground for the analgesic category ..."**

Another conservative watchdog group, the National Coalition on TV Violence, cited SmithKline, a $20 million pharmaceutical advertiser, Beecham, and Sterling Drug, the third biggest advertiser in the brand category at $40.6 million in 1980, as sponsors of television's most violent programs.

While most of the pharmaceutical advertisers maintain that they do not need the watchful eye of these conservative groups, at least one advertiser functions from a more open philosophy.

"Beecham maintains a rather liberal attitude toward program content," said John Jacobs, the associate media director at Grey Advertising who handles media for Beecham's Sucrets and Hold products. "Besides, we buy scatter. I couldn't tell you what programs we'll be on."

Other signs of the media stakes involved in the pharmaceutical brand category are the switching of ad agencies and the redirection of media planning and placement in-house.

This year, Rumrill-Hoyt was dropped by Pennwalt as the agency of record for Allerest and Sinarest. BBDO lost Richardson-Vicks' Formula 44 cough supressant and Sinex nasal spray accounts to Ogilvy & Mather and Benton & Bowles, which already handled much of Richardson-Vicks' media for the Vicks product line.

Of the top 11 advertisers in the brand category, four handle media in-house, including the two biggest advertisers — American Home Products which spent over $100 million on OTC pharmaceuticals ads last year, and Bristol-Myers as well as Pfizer and Schering Plough, which spent over $15 million in measured media last year, according to LNA.

While generalities abound about the media habits of the proprietaries brand category, the actual strategies behind individual brands depend on whether the product is new, trying to maintain market share, attempting to increase total market size, or looking to carve out a greater part of the market as it stands.

The new and improved, extra-strength brand line extensions are usually treated as new product introductions with major, multi-million dollar network television campaigns.

This report focuses on some of the major and significant media strategies for the primary sections within the brand category — headache remedies and sedatives; cold, cough and sinus remedies; digestive aids and laxatives; and some miscellaneous OTC pharmaceuticals.

Headache remedies and sedatives

This is the second largest brand category behind cold, cough and sinus remedy advertising. In LNA measured media, headache remedies and sedatives accounted for almost $150 million last year, up about 5% over 1979. The media mix for the category followed the same percentage breakdowns as the brand category as a whole, with network television dominating at $119.2 million.

American Home Products

One of the main reasons for network television's domination of media usage in this category is the presence of American Home Products' Anacin product line, Arthritis Pain Formula, and Sleepeze tablets, all of which rely almost exclusively on television.

Top 10 Advertised Brands:
Cold, cough and sinus remedies for 1980 (in thousands of dollars)

Company	Brand Name	8-Media Total	Magazines	Supps	Network Television	Spot Television	Network Radio	Spot Radio	National Newspaper	Outdoor
Smith-Kline	Contac	13,572.4	—	—	10,769.7	1,587.2	1,207.9	7.6	—	—
AHP	Dristan tablets	12,785.9	—	—	10,441.3	2,034.0	310.6	—	—	—
B-M	Comtrex multi-product	11,818.6	1,034.3	—	9,304.1	1,428.3	—	41.2	10.7	—
A. H. Robins	Robitussin	8,794.4	295.0	—	38.9	8,460.5	—	—	—	—
AHP	Primatene Mist/spray	7,834.3	231.3	—	6,395.5	1,205.1	—	2.4	—	—
Richardson/Vicks	Vicks Nyquil	7,340.1	—	—	5,890.6	1,401.9	—	47.6	—	—
J&J	Cotylenol	6,123.7	—	—	5,987.0	136.7	—	—	—	—
Richardson/Vicks	Formula 44-D	6,081.8	—	—	5,510.1	551.1	—	9.7	10.9	—
AHP	Dristan spray	5,794.4	—	—	4,907.0	887.4	—	—	—	—
Miles Labs	Alka Seltzer Plus tabs	5,054.6	—	—	4,552.4	497.0	—	5.2	—	—

Sources: Leading National Advertisers, BAR, Media Records.

Key: AHP (American Home Products); B-M (Bristol-Myers); J&J (Johnson & Johnson).

Among the American Home Products entries in the category are classic examples of the new and improved, maximum strenth version of a well known brand name, an off-shoot product developed in response to new competition, a specialty remedy for a particular infliction — arthritis — and an old, established brand which serves as the umbrella for the product family and still commands the largest share of the total advertising expenditures.

Anacin tablets carried a $32 million budget in the LNA measured media last year, spread across network tv, spot tv, magazines and network radio. The total budget, however, was down 6% from the previous year, according to LNA, with cuts in spot tv and network radio and modest increases in magazines and network television. While network television attracted $26 million of the total budget and magazines drew only $1.5 million last year, Anacin tablets were still the only American Home Products brand to have anything resembling a balanced media mix.

The rest of the products were advertised almost exclusively on television.

Anacin Maximum Strength capsules, a new and improved form of the aspirin product in both potency and means of consuming, kicked off a $4.4 million new product campaign last year, and all but $35,000 was spent in network tv, according to LNA. The remainder was spent in spot tv.

Responding to the competition of Johnson & Johnson's Tylenol non-aspirin pain reliever, American Home Products introduced Anacin-3 non-aspirin tablets several years ago and has backed it with a television campaign each year in excess of $3 million. Last year, the emphasis switched from spot tv to network television.

Arthritis Pain Formula as a specialty remedy is more targetable than the aspirin products, skewing toward an older demographic. While network tv last year attracted $3.8 million of the product's $4.7 million budget, magazines received over $180,000, an almost 70% increase over the previous year, according to LNA.

Bristol-Myers

Bristol-Myers has two product lines in the category, Bufferin and Excedrin. The product line extensions almost mirror American Home Products entries, with Arthritis Strength Bufferin and Excedrin Extra Strength introduced last year in capsules and tablets with a combined television-exclusive ad budget in excess of $6 million; the established umbrella products, Bufferin tablets with its $13.5 million television-only campaign last year; and Excedrin tablets, which saw its ad budget cut from $12 million to $7.4 million last year, and Excedrin PM tablets with a $3.3 million ad budget last year, according to LNA.

"The Excedrin Extra Strength category was a response to the surge of Tylenol five years ago," said a Bristol-Myers exec. "It followed last year in capsule form, which was an improvement because capsules are generally regarded as easier to take than tablets."

Arthritis Strength Bufferin, a product with a more definable target audience, was primarily directed toward continuing the network television campaign. With that campaign somewhat established, however, a new $350,000 magazine campaign was launched last year.

"The reasoning behind the magazine campaign is obvious," said the Bristol-Myers exec. "We were looking for extended reach for an older profile demographic. The magazines we ran in are the ones that would reach this older audience."

While Arthritis Strength Bufferin increased its magazine expenditures, Bufferin tablets pulled out of periodicals and went exclusively with television, and predominantly with network tv.

Johnson & Johnson

The successful introduction of Johnson & Johnson's Tylenol non-aspirin pain reliever five years ago forged an entirely new category in the over-the-counter pharmaceutical brand category. Since then the product line has been reintroduced in a variety of extra-strength forms and most of the ad budget has been shifted to multi-product advertising.

Last year, Tylenol tablets, for instance, dropped from a $12.3 million, according to LNA. Tylenol Extra Strength multi-product advertising, however, increased from $3.4 million to $17.5 million, with all of that spent in network tv except for a $700,000 magazine campaign and about $245,000 in spot tv. Tylenol children's product multi-product advertising also increased from $2.6 million to $3.3 million, all in tv.

Pfizer

Pfizer has only one product in this category, Unisom Sleep Aid tablets, a two-year-old product launched with a $2.5 million budget in 1979 and expanded to $3.4 million in 1980.

The media mix in both years was predominantly oriented toward network tv, but in the initial launch year, newspaper supplements received $188,000 worth of attention from Pfizer.

"We went into Sunday supplements the first year because we wanted the broadest reach and a vehicle to explain a complex product," said Geller of Pfizer's Adforce. "The message was product superiority and while the tv launch coincided with the newspaper supplements campaign, we didn't think we could explain the product superiority in a 30-second framework. Now we are on tv exclusively.

> **"We went into Sunday supps the first year for broadest reach and a vehicle to explain a complex product."**

"Magazines probably would have worked, but once the campaign was developed into a simple, graphic visual execution of the principle selling points — that the product is better, faster, and longer working — television increases in importance.

Sterling Drug's Glenbrook Labs

Unlike its main competitors, Sterling Drug's Glenbrook Labs has stuck to Bayer Aspirin for Children and the original Bayer aspirin tablets for adults.

Bayer for Children covered about $3 million, with almost $900,000 in magazines and the rest in network tv last year; and Bayer tablets garnered over $20 million in ad dollars, including a $2.5 million magazine campaign, a $161,000 usage of Sunday supplements, a $1.1 million network radio campaign, and $16.5 million in network television.

Colds, cough and sinus remedies

This is the most heavily advertised section of the brand category, and it is also the most seasonal. With television ad campaigns all breaking at the cold season's onset, the ad strategies in this category are the most susceptible to clutter.

Nevertheless, television remains the dominant medium. Spot and network tv buys accounted for over $141 million of the $153 million spent in the category last year, according to LNA.

American Home Products

American Home Products has five products in this category that had ad budgets in excess of a million dollars last year. The media emphasis was almost exclusively television, with a strong preference for network over spot.

The make-up of the product line is generally a mirrored image of American Home Products' entries in the headache category. There is an established, umbrella brand name, two variations of the same product in different forms for consumption, a non-aspirin variety and a specialty product for persons with brochial problems.

The biggest ad budget still goes to Dristan tablets, although that budget was cut 11% last year, according to LNA. Of the $12.7 million spent advertising the product in measured media last year, almost $10.5 million went to network television.

The same percentage divisions between media hold up for the other four products from American Home Products with ad budgets of over $1 million. Primatene Mist and tablets, which LNA shows as spending $7.8 million on advertising in 1980, ran a $231,000 magazine campaign to support the product's $6.3 million network tv exposure, but it was the only American Home Products brand to use print last year.

Dristan Long Lasting Nasal Mist committed $4.9 million of its $5.7 million 1980 budget to network tv. The rest went to spot tv. The same pattern was followed for Dristan Aspirin Free tablets' at $1.1 million for 1980 and Dristan Capsules, at $1 million last year.

Bristol-Meyers

The biggest change in Bristol-Myers strategy was the shift to multi-product advertising for the Comtrex cold relief medicine product line. Advertising for the cold medicine in liquid and tablet form in 1979 had been $7.7 million, with about $7 million in network television. The same ads last year drew only $443,500 and were off network tv, according to LNA figures.

At the same time, Comtrex multi-product advertising gained from $4.3 million in 1979 to $11.7 million last year. The product's print campaign increased to over a million dollars, but the network television budget soared to $9.3 million, up from $3.7 million the year before, according to LNA.

"Television is where the battle is fought," said a Bristol-Myers marketing exec. "There is also a tremendous rush of advertising in the fourth and first quarters of the year, during the colds season. It's as if you have to squeeze your ads in wherever you can. The clutter of cold remedy ads is impossible to overcome. There are only 24 hours in a day to advertise, and you just have to do the best you can."

Richardson-Vicks

Several products in the long list of Vick's cold remedies were moved this year from BBDO to Young & Rubicam and Benton & Bowles. The shift, however, has not changed the media mix. Richardson-Vicks' products are still exclusively advertised on television, with almost all of that spent on network tv.

"A company changes agencies for a lot of reasons," said Irwin Fleischer of Richardson-Vicks. "And in this case, there were a lot of reasons, too. The change was not made, however, for any media reasons. The media strategy will remain the same."

With almost all media dollars for Vicks products going to network tv, the only question remains how much each product will garner in its ad budget.

The biggest changes over the past year have been Formula 44-D cough syrup, which had been handled by BBDO, increasing from $3.4 million to $6 million last year, all in tv. Regular Formula 44 cough syrup, giving way to its new and improved sibling, was cut last year from $2.7 million to $356,000.

Digestive aids and laxatives

Unlike the headache and cold remedy categories, the digestive aids and laxatives market is not dominated by a few major manufacturers.

The category's media strategies bebetween digestive aid products and laxatives. Digestive aids are supported almost exclusively with television advertising; laxatives, with a slightly older demographic target audience, use a mix between network television, print and network radio.

In the digestive aid category, there are several major tv advertisers.

A.G. Bayer's Alka Seltzer, a $14 million advertised brand last year, spent all but $600,000 in television, with the rest going toward a drastically reduced outdoor campaign.

Rolaids, the antacid tablet from Warner-Lambert, spent $9.2 million last year, all in television. Revlon's Tums antacid tablets spent $6.5 million last year, all in tv and all but $171,000 in network tv. Schering Ploughs Di-Gel carried a $3.2 million ad budget last year, and all of it except for a $500,000 network radio campaign went to network television.

Television remains the dominant medium for laxative advertising, but magazines are used more frequently as support for the network tv campaigns.

Schering Plough's Correctol laxative devoted about 10% of its $2.7 million 1980 ad budget to print, with the rest going to network television. Searle Drug's Metamucil Natural Source Laxative had a $312,000 print campaign included in its $2.4 million overall media strategy.

Phillips Milk of Magnesia, a $3.4 million advertised brand from Sterling Drugs, covered a $78,000 print campaign last year.

Other laxative brands, however, stayed true to the television-only media strategy. Doxidan laxative from A.G. Hoechst spent $1.6 million last year, with $1.3 million in network tv and the rest in spot tv.

Culbro's Ex-Lax flavored and unflavored pills and bars spent over $5 million last year on network television.

Miscellaneous pharmaceuticals

These are over-the-counter pharmaceuticals that do not fit, by definition, into the previously covered categories. The products also do not meet the standard media strategies employed in pharmaceutical marketing.

Some of the miscellaneous products, however, do fit the television-only media mold. Abbott Lab's Murine eye wash spent $3.2 million in advertising last year, exclusively in television. Pfizer's Visine eye wash products, however, used a greater media mix for its multi-million dollar campaigns.

The Visine brand line consists of two products, Visine Eye Drops and Visine AC Eye Drops for persons with red eyes due to allergies and colds.

Bob Geller of Pfizer's Adforce, said: "We had a two-part strategy with Visine AC. In the Spring and the Summer, we went for allergy sufferers. In the Winter months, we shot for cold sufferers. We found after the first year of sales that our main business was coming from the allergy market. So the major part of the budget was devoted to the allergy advertising."

The Visine budgets break down as follows: for Visine AC, $3.1 million total in 1980, with $2.8 million in television and the rest in magazines; and for Visine Eye Drops, $4.6 million total, with all but $467,000 spent in magazines devoted to network tv.

"We couldn't be competitive on television during the cold season," said Geller. "The clutter during that period is up considerably, and with our budget we would not be able to make any impact.

"Also, with Visine AC, it is too early to know exactly who is the target market. We've only had two allergy seasons so far since the introduction of the product. We use primetime on tv, leaning toward movies and staying away from situation comedies that skew to the older viewer."

American Home Products, which has several brands in the miscellaneous category, remains true to its media strategy of using heavy dosages of network television. Among its products using television exclusively are: Anbesol, $3.8 million last year; and Compound W Wart Remover, $1.4 million.

One American Home Products brand does break the media strategy mold: Preparation H suppositories and ointment. Last year's $10.7 million ad budget was divided between network radio and newspaper supplements.

Magazines accounted for $1.1 million of the total budget, with network radio taking $638,000 and Sunday supplements garnering $134,000, according to LNA. Television, however, continued to dominate the media dollars, with Preparation H last year spending $7 million in network tv and $1.8 million in the spot tv market.

Craig Reiss

MARKETING & MEDIA Decisions

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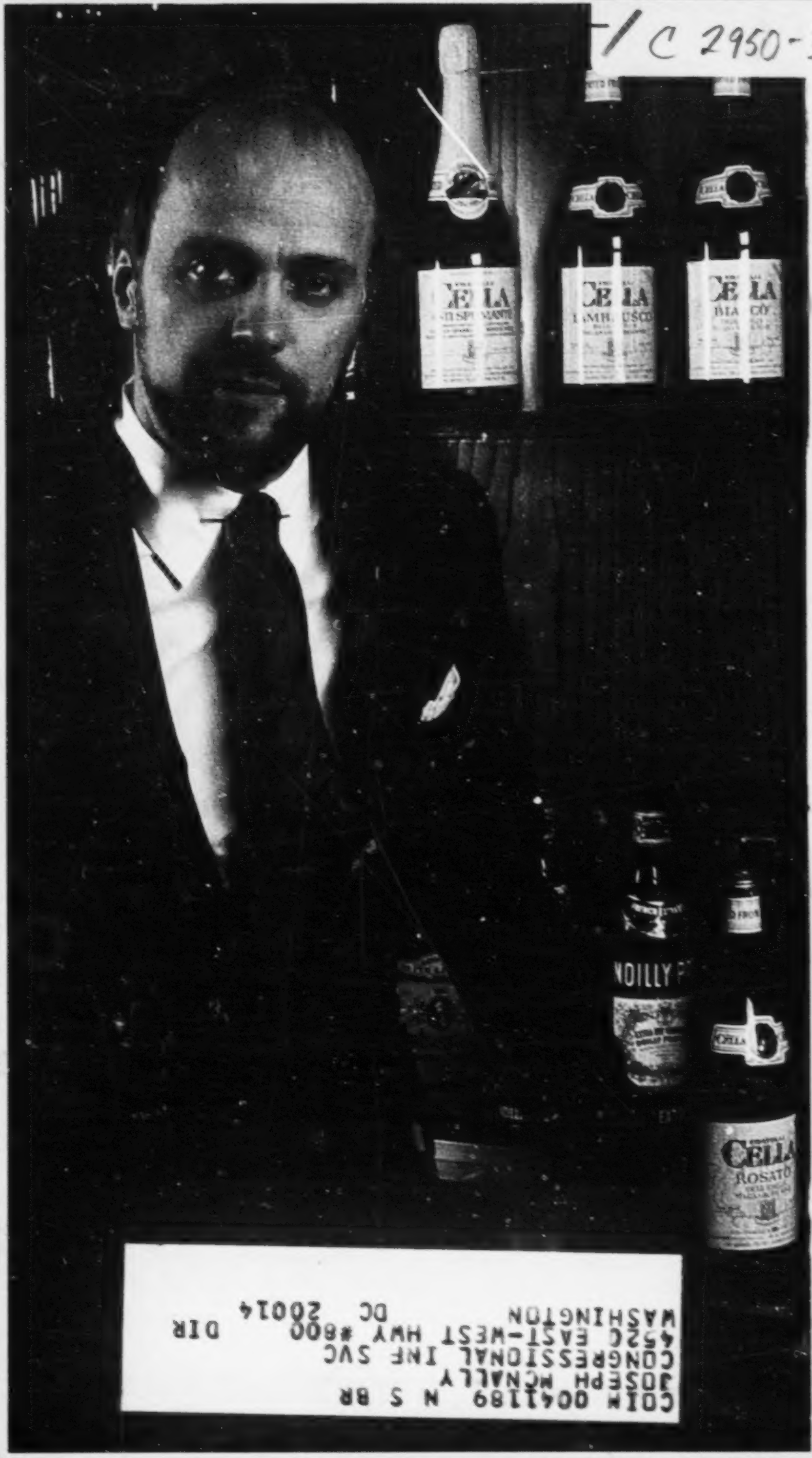

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MARKETING & MEDIA
Decisions

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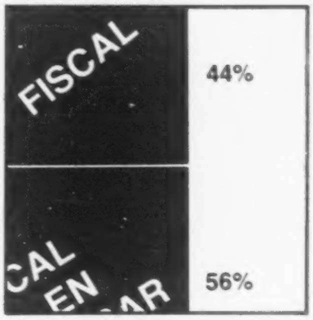

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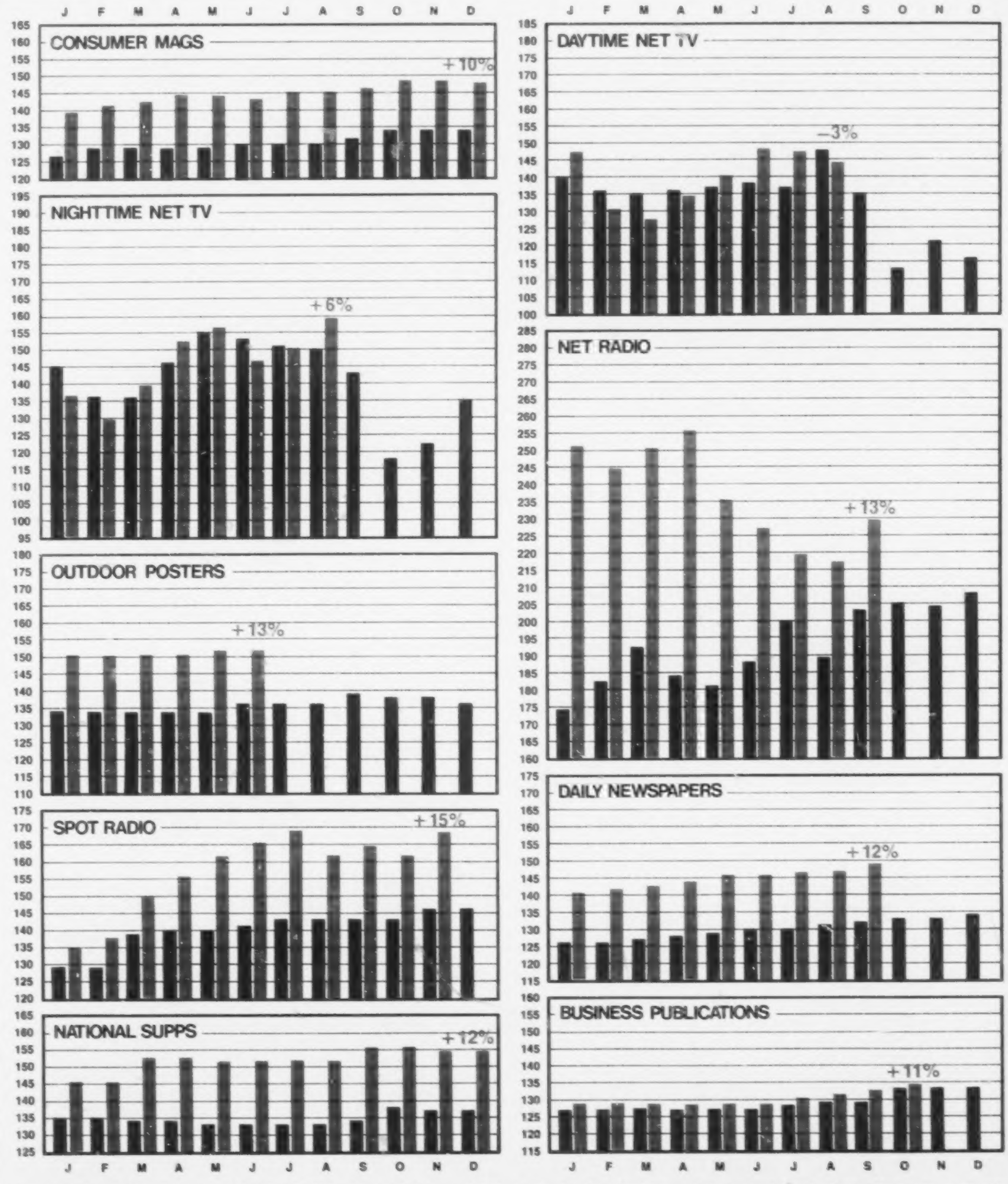
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page.

COST TRENDS
a Decisions analysis

Business press costs, tracked through November in the chart on the page opposite, had been running about 10% ahead of 1980 until November — when they moved up to 11% more than November 1980.

A rash of rate increases is expected at year end and then a general leveling off at a higher figure. Our forecast for calendar year 1982 (published in August 1981) is a 9.2% unit cost rise.

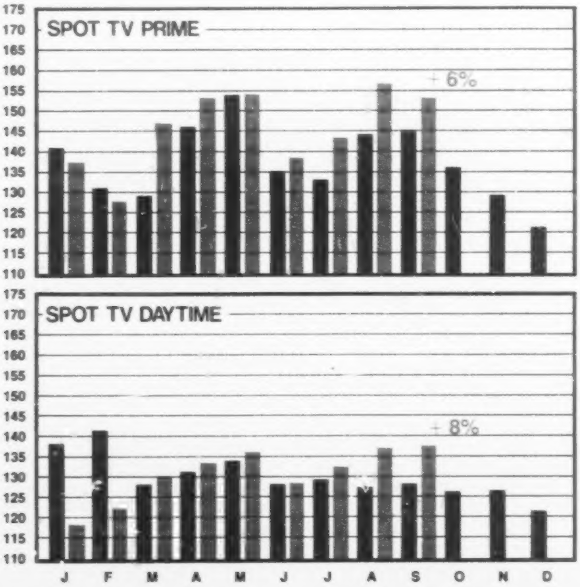
To find out what's behind increasing rates in business publications, we called on Tom King, new president of American Business Press, and Bill O'Donnell, the executive vice president. They produced two confidential cost reports for 1979 and 1981.

What we find is the printing, binding, composition and paper per MCP (thousand copy pages) has gone up 26.5% between 1979 and 1981. Postage and wrapping costs have gone up 17.1% per MCP. Advertising and selling cost per ad page has risen 17.7%. Editorial page cost is up 7.8%.

Considering that the rate of inflation is still pushing 11%, it seems miraculous that the business publishers have been able to keep costs down.

Radio is the most bullish medium in 1981 as we get down to year end in tracking media costs. Spot radio was plus 15% over the year previous in November 1981. Network radio was plus 13% in September 1981 compared to September 1980.

In the case of network radio, this represents not only a greater price rise in the most recent year than the increases for other major national media but also in comparison to the base year 1977. In September 1981, network radio hit index 229 (129% above 1977), considerably more advanced in unit cost than the others. Index for spot radio in November 1981 was 168, somewhat above the other indices.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

Of The Top 25 U.S. Markets Tampa Bay* Is The Fastest Growing Major Metro Market In The Southeast!

growing faster than Miami and Atlanta. Believe it! There is more than $2.5 billion in commercial construction now under way in the City of Tampa alone. The dynamic Tampa Bay* market is comprised of Hillsborough, Pasco and Pinellas Counties. Be sure your print schedules include these powerful newspapers.

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Morning and Sunday
The Tampa Times
Evening and Sunday

The Quality Bay

Media General Newspapers
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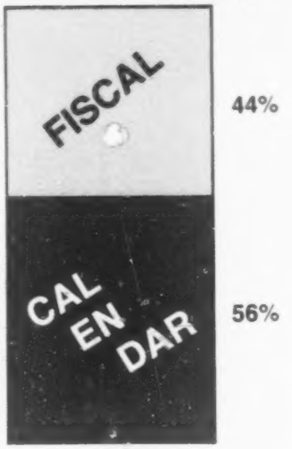
Contact: Byron Taggart, Advertising Manager
P. O. Box 191, Tampa, Florida 33601
(813)272-7447

Source: S&MM Survey of Buying Power 1981

MARKETING & MEDIA Decisions
January 1982 / Volume 17, No. 1

Budget for fiscal vs. calendar year



Source: Decisions survey among Top 200 Advertised Brands

THE AD BUDGET:

Top 200 Brands use all months to decide

Decisions' survey among Top 200 Advertised Brands shows year-round activity of media budgeters. It takes four to eight months to move budgets through six major steps. Budgeting is normally a team project with both company and agency media specialists involved right from the start to finish.

Budgeting, the favorite indoor sport of all advertising people, is the main event for some in every month of the year.

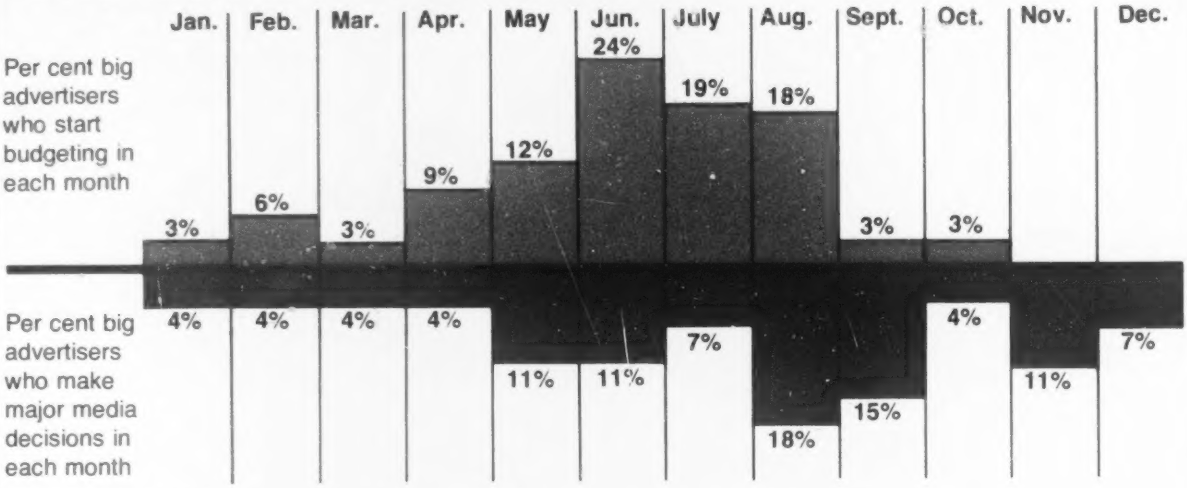
We suspected as much, but now have the survey results to prove it.

We asked the key marketing/media mogul in Top 200 Brand companies to report on the timing of key budgeting functions in each month of the year. The results are shown in the charts on the following pages.

To make the Top 200 Brand list an advertiser has to invest $13 million or more in a brand as we define it, so this represents the practice of the big spenders who account for about half of all national media dollars.

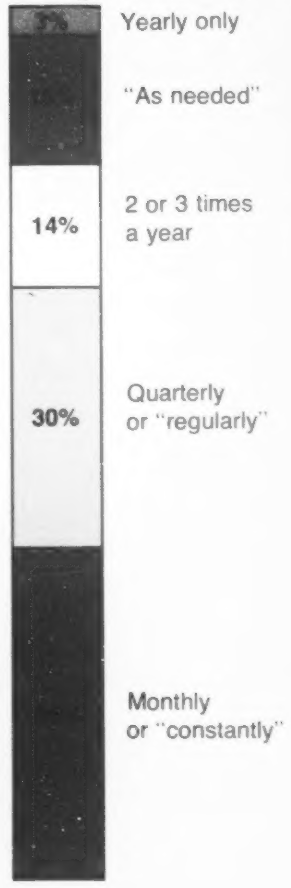
The conclusions:

- **Budgeting goes on all year.** At least 7% of all brand marketing teams either start the budgeting activity or make major media decisions in each of the 12 months.



Budgeting calendar: activity is year-round

Source: Decisions survey among Top 200 Advertised Brands



How often are budgets reviewed

Source: Decisions survey among Top 200 Advertised Brands

- **Start-up time** for budgeting is most often June, July or August.
- **Over 11% of major media decisions** are made in each of the months of May, June, August, September and November.
- **Calendar year budgeting** is favored by a little over half of the big brands (56%), but 44% are budgeted on a fiscal year basis.
- **Budget reviews** during the year are made quarterly or more often by two-thirds of the big brand advertisers. Only three percent say they do not review the budget during the year.
- **Four months are needed** to move the budget through its various stages by 87% of the brand groups — from start-up to presentation to top management. But in most cases the ads don't run until five to eight months after the start-up for budgeting. A small amount of the additional time is devoted to revisions, but most of the incremental time goes into execution — creative and media negotion/ordering.
- **The agency gets into the picture** right from the start in over 60% of the budget calendars reported. The media specialist is involved in over 60% of the cases during the first month.
- **The media recommendations** have been made by the end of the second month in half the companies, by the end of third month in 89% of them.
- **Marketing managment is hit with the media plan** in the first month in 19% of the cases, in the second month in 19%, in the third month in 39%, in the fourth month in 20% of the cases.
- **Marketing management is hit with the total budget** at the same time it gets the media plan in two-thirds of the big-brand companies. In about one out of four companies, the total dollar figure is set *before* the budget and media plan are presented to marketing management in detail. Seven per cent of the time the total dollars are established later.
- **Top management** (sometimes the same group as marketing management) gets the budget at the same time as the marketing chiefs in 23% of the companies. In 60% of the cases, top management gets its presentation of

When key budgeting activities are phased-in

(cumulative per cent of cases from start-up)

	Agency gets into picture	Media specialist involved	Media recommendations	Media plan to marketing management	Total budget to marketing management	Total budget to top management
At start-up	**63%**	58%				
First month	**87%**	**77%**	21%	19%	27%	3%
Second month	**97%**	**97%**	50%	38%	57%	35%
Third month	**100%**	**100%**	**89%**	**77%**	**87%**	58%
Fourth month			**100%**	**97%**	**94%**	**87%**
Fifth month				**100%**	**97%**	**94%**
Sixth month					**100%**	**97%**
Seventh month						**100%**

(color boxes indicate 60% or more)

Source: Decisions survey among Top 200 Advertised Brands

the budget a month to three months after marketing management.

In most cases budget planning is not a quick process. The big spenders take it seriously. And five to eight months may be devoted to it.

Budgeting activity goes on all year because different advertisers get started on it at various times of year. The activity does tend to bunch-up in the middle months of the calendar year, with fewer start-ups in the fall and winter.

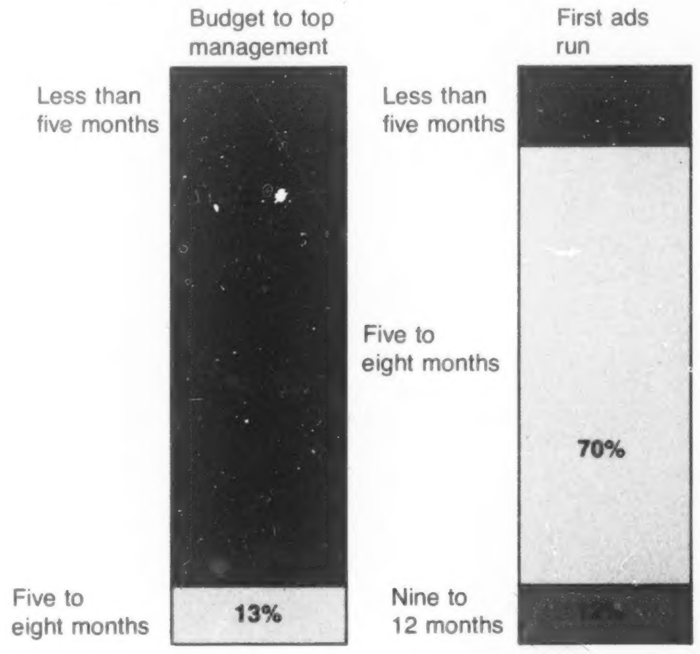
The agency gets into the act early — as soon as planning begins or shortly thereafter in most cases. The media specialist is also an early participant; more than half the respondents say media is involved right from the start. The balance say media specialists get involved from one month to three months later.

Media recommendations, however, are quickly assembled; 59% are ready within a two to three month period after budgeting gets under way. And the media plans are ready for presentations to marketing management almost as quickly.

Continued on page 136

Most budgets hit top management in 5 months . . .
. . . but most don't run for another 3 months

(time lapse from budget start-up)



Source: Decisions survey among Top 200 Advertised Brands.

BUDGETING (from 55)

One interesting difference in practice: the matter of coordination of total budget dollars with media plans. In quite a few companies (26%), the dollars available for media are set before the media budget recommendations are presented to marketing management for approval at that level.

But in 74% of the companies, the team that develops the budget recommends the total figure to be spent at the same time they present the plan to marketing management. Obviously, they will bear in mind what may or may not be a feasible expenditure for media in the year ahead.

There is also quite a difference among large advertisers as to how long they delay the presentation of the budget to top management after marketing managment has seen it. In 77% of the companies there is a delay — only one week in 7% of the companies, but from two weeks to three months in the others.

The budget is not sacrosanct. Flexibility is built into the procedure in almost all the companies with the big budgets. Only 3% say they do not review their budgets during the year that they go into operation.

Who gets involved?

The budgeting survey also sheds new light on involvement in the budgeting operation.

The layers of approval are shown to be first at the top of the marketing management hierarchy, and then at the top management level. Our returns do not clearly show how often top marketing management and top company management are considered the same. But in a least 74% of the cases, clearance with top management for the media budget is considered a separate and important step in the series of budgeting activities.

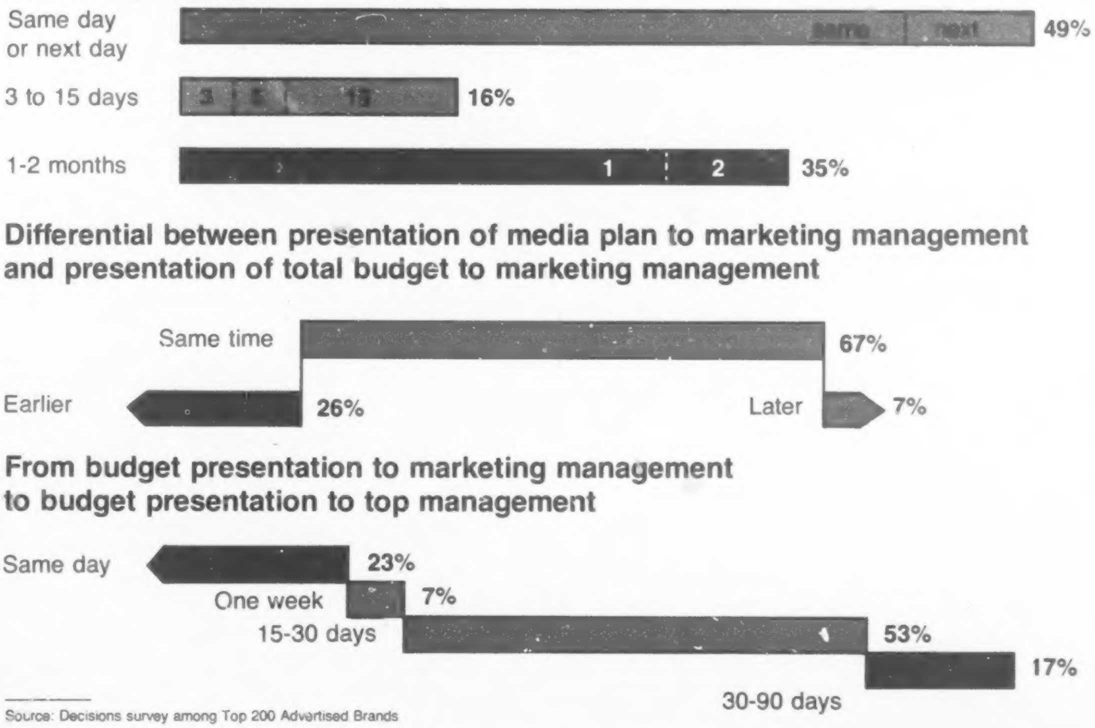
Considerable difference showed up in responsibility for development of the budget. Answers ran the gamut from a single person to a sizable group of executives from both the agency and the company marketing department.

In some cases, non-marketing titles were reported: division president, assistant to the president, treasurer, controller, general manager. Some representative of top management is often involved long before final approval for the budget is sought.

The sales function *per se* was conspicuous by its absence from the roster of budget builders. Sales vp's were mentioned only twice, plus a single entry under vp-sales/marketing.

Most frequent titles of those listed as responsible for budgeting were marketing director, marketing manager, advertising director, advertising manager. Next in line came the product/brand managers. These included a sprinkling of group or senior product managers.

In all companies, just one person is labeled as responsible for budget crea-



Time lapse between key steps in budgeting

From major media recommendations to media plan presentation to marketing management

Differential between presentation of media plan to marketing management and presentation of total budget to marketing management

From budget presentation to marketing management to budget presentation to top management

Source: Decisions survey among Top 200 Advertised Brands tion. In these companies this is either the advertising manager or the product/brand manager. In one company it's the manager of media services. Company media specialists were named as responsible for budget development in only four cases. But it was made clear that budget planning is a team project, with both company and agency media specialists involved all along the line as the budget moves through different phases of development and levels of approval.

Januaryitis

Media often complain about Januaryitis — low expenditures in January because of procrastination in budget setting, and then executing ads for the next calendar year. As indicated by our survey, this can be the case in only 56% of the advertisers with big budgets. The rest budget on a fiscal year basis.

However, there is a considerable lapse of time between the final budget okay by top management and the time the first ads run. At 70% of the companies, five to eight months elapse between that okay and the time first ads appear.

In a company that has a problem with Januaryitis, the cure — as pointed out by one of the respondents — would be to start the budgeting sequence earlier, then allow five to eight months after top management approval before the ads are supposed to reach January viewers, readers and listeners.

Oddities

Some oddities turned up that may suggest new trends in the business.

For example, in two companies (both very large advertisers) the agencies don't get involved at all in working up the budget. Budgeting is considered an inside job, start to finish, in these firms. After the budget is complete, the agency learns how much it has to spend — and pretty much where it will be spent. This is not the usual practice, as already pointed out, although several companies say from one to three months of planning takes place before the agency is brought in.

There are also some companies that do not have an established time table for budgeting. One comment was that media choices are "already established." Another said that their use of media is "on-going."

Pat Kelly

NEXT ISSUE

Florida's West Coast

The State of Florida is a growth market practically from one end to the other. But this growth is centered in three major market complexes: South Florida (Miami, Palm Beach, Ft. Lauderdale, Hollywood, Boca Raton, etc.); West Coast (the Tampa Bay Cities of Tampa, St. Petersburg, Bradenton, with Sarasota just south of the Bay); and in the center of the state Orlando (with Disney World next door and the new permanent world's fair due to open this fall). In August our growth market report was on South Florida. Next month we'll be covering the growth around Tampa Bay. In October we'll bring you an update and look-ahead at Orlando.

Between the 1970 and 1980 Censuses, the SMSA of Miami grew in population by 28%; Tampa-St. Petersburg was up 44%; and Orlando was up 55%. The report next month will explain what's behind the Tampa-St. Petersburg bonanza.

Brand Report No. 73 in February will be concerned with the over $244 million invested by national advertisers in major media on behalf of cosmetics (i.e. creams and lotions, lip and eye beauty products, facial make-up products, manicure preparations and implements, toilet water).

In these brand reports we highlight the marketing trends and zero-in on the specifics of media use by leading brands. Highrollers in the cosmetics category include; Jergens, Nivea, Ponds, Vaseline, Mennen, Noxell, Wondra (P&G), Oil of Olay, Coppertone, Maybelline, Vidal Sassoon, Avon, L'Erin, Max Factor, Revlon, Lip Quencher, Cover Girl and a host of others. They are big in tv, but it's interesting to note that eight of them put over a million dollars each into magazines. We'll take a closer look at the contrasting media strategies in the brand report next month.

Guest Editor Larry Lamattina

Larry Lamattina is executive vp-director of media programing, SSC&B. Like Hal Miller, who he succeeded at SSC&B after Hal retired, Larry was previously the top media decision maker at Grey.

Lamattina's most recent contribution to *Decisions* was the 1990 Media Plan that he, Mike Moore and Joe Ostrow put together in October.

Garneau's magic for brand building

Guest Editor Hank Wasiak, president of Brown-Forman's Joseph Garneau subsidiary, explains how a long-term brand building strategy transformed unknown Italian wines into top imports Cella and Bolla. Appropriate pricing and ample profit margins are keys to financing substantial media campaigns.

"We believe that consumers buy brands, not companies or categories."

That is the primary philosophy of the Joseph Garneau Company, and its parent corporation, Brown-Forman, according to Garneau president Hank Wasiak, ex-agency exec. who moved to the client side some 18 months ago.

The Louisville, Kentucky company embodies that philosophy, letting its imported wine and spirits brands take the limelight, among them the Italian wines Bolla and Cella and Bushmill's Irish whiskey, Martell cognac, Noilly Pratt vermouth, Ambassador Scotch and Veuve Clicquot champagnes. Few consumers know that Garneau is the importer, and that's all to the good, in Wasiak's view.

Rather, the main concern for Garneau — and Wasiak — is the building of brands. They aren't interested in overnight fads or discount look-alikes. Instead they seek premium brands in the upper price range of their categories that can build long-term consumer franchises.

And Wasiak, like some others in the packaged goods business, believes that brand building is all the more important in an economic downturn, when retailers are tempted to erode brand franchises to retain volume and hold price-conscious shoppers.

But brand building is no simple or quickly achieved goal, Wasiak warns, especially in a historically volume-oriented industry that is known for "moving cases." It requires long term planning, consistency, and dedication. The ultimate payoff is profit rather than volume, and a good measure of awareness and franchise security in the market place.

His best examples are Cella and Bolla, which hold second and fourth place among imported wines in the U.S. That gives Garneau the distinction of being the only wine marketer with two brands of imported wine within the top 10 imported wines. Advertising and media have played a strong role in achieving that measure of success.

Brand building, Wasiak contends, begins with the attitude and philosophy of a company's top management. "One of the first things a company must do is take stock of its strengths and weaknesses and resources, and determine what its objectives are.

"From that, you define what kind of company you are, want to be and what your resources are. Once you have that definition, company and brand objectives can be set and a management style and attitude towards brand building takes shape."

Wasiak says the B-F philosophy, which applies to all its divisions, is "to build brands by establishing quality products which can command a premium price and effectively compete in the upper ranges in their segments. By putting them there, they return margins that allow us to invest very heavily in consumer-focused marketing, advertising and promotion programs. The result is that we build brands with strong consumer franchises that can legitimately justify premium prices and that will have very long life cycles."

In order to do that, Wasiak acknowledges that, first and foremost, a quality product must be in the package. Garneau shoots for the highest quality product in its product segment, he says.

"Now Garneau, being an importer, doesn't always have direct manufacturing control. We do on the labels that we own, such as Cella, and we can make sure that we market the highest quality product. In areas where we are agents or partners for imported products, we make very sure that we do business with the highest quality suppliers of the kind in their industry. For example, Bushmill's is the premium Irish whiskey, and Martell is recognized as the finest cognac made, and is the number one cognac in France and worldwide.

"This sets the price and positioning directions for the brands. That's not to say we won't compete in segments that are in the middle of the price spectrum, but even within that, we'll go to the upper end within that price range with a product that can justify a higher price. But I doubt you'll ever see a

Continued on page 100

In charge of financial affairs at Garneau are Phil Anderson, vp – director of administration, and John Andriott (left), manager of financial administration for the Louisville-based importer.

Sales planning is the concern of Joe Herpin, senior vp, executive director of sales, and Fred Hamilton, vp – national sales manager at Garneau Co., Brown-Forman subsidiary.

Garneau product competing in the low or commodity end of the business. It's just the kind of marketing we know how to do best, or — for that matter — care to do."

After those choices have been made, Garneau gets down to the basics of marketing in a way that builds consumer brand franchises.

"First comes quality marketing and advertising," Wasiak advises. "By that we mean defining exactly what the brand is. To do that we break the brand concept into two pieces. The first is consumer segmentation. We carefully identify target audiences and define our usage and image profiles. The second is competitive segmentation How do your brands stack up against competition, and how will we be perceived versus competitive brands. The marriage of the two yields a brand positioning relevant to the marketplace."

Just how would Garneau go about placing a new product? "We start by determining those sements of the market in which we could compete, where we could establish a strong brand franchise through advertising and marketing and still get the proper returns. We believe in building brands by finding niches in as many category segments as possible, rather than attacking the category as a whole. Usually this leads us to medium and above market segments of various categories. Sometimes, even if it can be financially viable to market to lower priced segments, we might not opt to pursue it, because it's not our style of marketing."

That philosophy was applied to the introductions of Cella and Bolla, which Garneau undertook well before the boom in Italian, and lighter, less alcoholic wines. Cella is a label owned by Garneau, which contracts for the wine to be bottled under the brand name. Bolla is owned primarily by the Bolla family, although Brown-Forman enjoys a substantial interest.

Garneau introducted both wines with strong per-case allocations for advertising. "Bolla was one of the early wine brands on television. When you look at our advertising expenditures within the $150 million in wine media, Bolla and Cella were among the top seven absolute spenders in calendar year 1980. On a per case basis, we have two of the top four wine brands in spending. That has resulted in a very strong consumer franchise, each within its own price segment and product class." (See Cella and Bolla media figures.)

"When brands compete in some of the upper price segments, as ours do, you can generate the margins to fund further investments in advertising, while building a good premium image and brand franchises. Then, if it's necessary to take price increases when costs go up, rather than cut the quality of the product, you can maintain the quality of the product and raise the price in a way that still gives the consumer a good price-to-value relationship."

Sales and expenditures of selected wine brands

Brand	Ad dollar per case	Rank	Total ad dollars	Rank
Bolla	$3.13	1	$ 4,700,000	6
Calif. Cellars	2.06	2	7,200,000	4
Paul Masson	1.91	3	12,200,000	2
Cella	1.83	4	4,500,000	7
Mateus	1.58	5	1,900,000	10
Blue Nun	1.54	6	2,000,000	9
Lancers	1.37	7	1,100,000	12
Riunite	1.03	8	9,400,000	3
Giaccobazzi	.66	9	1,600,000	11
Inglenook	.65	10	4,500,000	8
Gallo	.56	11	21,800,000	1
Almaden	.48	12	6,000,000	5
Folonari	.21	13	300,000	13

Sources: IMPACT newsletter and LNA, BAR.
All size cases.

"Bolla," Wasiak said, "is a fine-tasting Italian wine that comes in red and white varieties, each at premium but not super-premium prices. We didn't confuse the consumer with too many types or unfamiliar statements about such things as locale of origin. Instead, the labelling and look of the product was simple and classy and told the consumer they were getting a good quality, versatile wine. While this seems obvious now, we made this move on Bolla at a time when there was a great deal of confusion about wine.

"What we did was simplify wine for the consumer, gave them a consistent quality product that they liked, and made sure we always told them the truth— we assured them that there is a family in Italy that's been making these products for about 100 years, that a lot of care goes into it; that its a name they can trust.

"That basic position hasn't changed for the past seven or eight years. As we built that high quality image, we recently introduced another white wine called Bolla Trebbiano. And here's another aspect of brand building: *your point of view, like product quality, must be consistent in the marketplace.*

"The wine category has changed very much in the past four years, particularly in price, color and size mix. While Bolla may adapt its marketing strategy somewhat to reflect these changes, marketing thrust would always be built around mainstream, consistent quality products. We have kept our brand consistently in front of the consumer with the same basic message. As a result, it has flourished despite many competitive threats and we will always aggressively market and defend the Bolla brand."

Says Wasiak, "Marketing and advertising communications are the important magic elements that help support the prices of our brands." As a consequence, "We place a great deal of emphasis on our advertising agencies," he says.

And behind that equation is the reason for Garneau's decision to move to two large agencies, Ted Bates Advertising and Benton & Bowles. The selection was made last July and both agencies took over as of November 1, last year.

"We make them part of the brand building process and share all but the

Wasiak's 15 principles for brand builders

"After the issues on company objectives, philosophy and operating criteria have been established, there are 15 major checkpoints which can be used to effectively build brands," says Henry Wasiak of the Garneau Division of Brown-Forman:

1. **Find the right positioning.** Clearly define the product's position in the marketplace relative to both the consumer and competition. Exactly what will it stand for in the minds of consumers and at all levels of trade channels? This is the guts of brand building. Make sure that the product can deliver the benefits promised.

2. **Isolate dominant forces of influence.** Clearly define and understand the major driving forces that will help build the brand in the brand's chosen market segments. Don't address everything.

Pick the three or four key elements which must receive the most weight in the brand's marketing plan and focus effort and attention on those elements. For example, in the alcoholic beverage market, the four major driving forces in brand building are quality, image, pricing and distribution. This is where Garneau places its emphasis.

3. **Think long-term.** Map out long-term brand plans and have a clear game plan for product line, volume, market share and profit return on investment.

4. **Segment as much as possible.** Break a market down into as many segments as possible. Determine brand volume and potential franchises within these segments first. Use the sum of these segments to determine the entire brand franchise.

5. **Employ investment leadership.** Have a marketing investment substantially lead share of market and volume increases in the early years of brand building. Do not pull back on these investments until an important and substantial position is established.

6. **Focus on the correct business goals.** The ultimate goal of brand building is to generate profits, the proper returns and franchises that will endure. It is important for a brand to set the proper goals based on the realities of the marketplace.

Generally in growth categories or segments, it is best to focus on building market share first. If share gains are achieved, then volume increases will generally be satisfactory.

7. **Aggressively test.** Continually test the upper limits of marketing spending to determine how high is up. The ultimate level of support must be based on pay-out criteria, but peak share and volume levels should be explored.

8. **Be vigilant.** Constantly monitor the marketplace for consumer attitudes, competitive developments and technological advances. However, don't rush in to chase every new development.

9. **Be prepared to defend.** Once a brand position is laid out, never yield it unless dramatic changes occur in the marketplace. Be prepared to defend this position in terms of product, support levels and creative platform at all reasonable costs.

10. **Challenge with alternatives.** Constantly challenge brand marketing strategies, develop alternate copy strategies and attempt to have one or two in the marketplace at all times. Don't rest on only one way to do it.

11. **Proliferate the positioning.** Maximize the potential of brand positioning through all types of consumer communications. Do not let it rest with advertising. Carry it forward into promotions, merchandising, trade campaigns and consumer public relations.

12. **Make brand building a team effort.** Make sure that the brand positioning and the concept of brand building is clearly conveyed to all levels of the marketing organization. Brand positions and strategies must be communicated, respected and understood at the planning and executional levels.

13. **Pay extra attention to sales execution.** Brand and marketing management, with input from sales and the marketplace data, are the architects and builders of brand positions and the sales force executes these plans.

Many times the sales force is the last contact with the product before the retail channel takes hold. They must make sure this positioning holds together at the point of purchase.

14. **Monitor effectiveness.** Have mechanisms to monitor the progress of brand building.

Sales are not enough. Consumer attitude and awareness measurements for your product or service, as well as for competitors, are essential. Benchmarks and goals must be set up to evaluate performance over the long-term.

15. **Recognize that people build brands.** Marketing plans, corporate leverage, brand management, sales forces, advertising agencies and many other organizations make up the brand building structure. However, individual professional managers and marketers make it happen within these units. Be careful to choose quality people who understand and respect the principles of brand building.

most private financial data with them. We look primarily for their marketing, creative and advertising expertise; not necessarily their industry expertise.

"Of course, we like our agencies to have to some knowledge, respect and understanding of the industry, but that wasn't the highest criterion; first and foremost they must be marketing and advertising professionals. We feel we can bring our agencies up to speed on the industry quickly enough. Package goods experience with a sensitivity to image and premium priced brand building were the key criteria."

> **"We don't tie an agency to a score or awareness point: we also evaluate qualitative things."**

But Wasiak also emphasizes that when the choice was made, there was no urgent need for overnight advertising campaigns. "When they were brought in, in no instance was one of their charges to come up with an 'instant' campaign. They weren't brought in with any sense of urgency to solve an advertising crisis.

"And that, again, is because of our brand building strategy and long term view. Brands grow by evolution, not revolution, and we take that point of view with our advertising. We set long term strategies. We may execute differently or change positions down the road with those agencies, but there's no demand to get a new campaign on the road in four weeks."

Primary criterion in agency selection, Wasiak says, was to have agencies with "managements that understand and can work with companies that emphasize brand building. The creative product is just as much our responsibility as the agency's. The client can do an awful lot to motivate and enhance the creative product.

"We don't only tie an agency to a number or a score or an awareness point; we also evaluate qualitative things such as sensitivity to marketing planning, promotional recommendations, their thinking on campaign strategies as well as executional elements.

"Sometimes they are very tough criteria to pin down, but you get a better sense of that after you work together for a while. You know whether or not they're thinking along with you long term, or just looking for short term, high visibility oopportunities.

Bill Juckett is vice president at Jos. Garneau Co., and is brand director for Bolla wines.

With its new agencies, Garneau has opted for fee compensation. "We want our agencies to make a good profit on the best quality work possible. We had been on a commission basis before, but went to fees to help foster objectivity, profit and creativity.

Also, there are a number of operations involving outdoor and some magazine buying that we handle in-house, so we wanted to elimate any conflict of interest. We wouldn't want agencies to feel that if they're going to recommend a particular media package that there might be a commission problem.

"We're not wedded to the commission or fee as a company. Given our circumstances and the brands we're dealing with, it made more sense to go on a fee basis. We went on a fee basis not to save money but to get the best quality people in the business," Wasiak says.

Another important point in brand building that Wasiak stresses is long term planning. "We demand that each of our brands have five to seven year plans in place with very specific strategies. We monitor year-to-year performance very closely and make appropriate adjustments. But we won't sacrifice long-term objectives and performance for the sake of a short term problem. It's taken a lot of companies a long time to get to that point of view, but it's been in place for quite some time at Brown-Forman. If the long-term prospect is right, it's usually worth tucking in your belt a little bit for the short term."

Wasiak also sees appropriate selection of management personnel as another key element in brand building. "If you don't have managers who are sensitive to long term growth and are overly concerned about short term performance, you won't get the long term look at things you need.

"This means we seek quality people — confident people — at Garneau, as well as people with the long-term view. And we get them, as does the entire corporation, by offering challenge, opportunity and reward along with stability and support."

"We operate on the brand manager system and place great responsibility on our brand managers. Also important is the performance of sales management people. They execute brand plans and if they aren't attuned to what it is we want to do in the longer term, then the execution fails and could disrupt the brand," Wasiak said.

But with all its brand building strategies, there is the matter of what happens in the marketplace. As states such as New York and New Jersey have decontrolled spirits prices, discounting and price wars are common.

Comments Wasiak: "Our point of view is that there is no way we can control what a retailer or wholesaler does. Legally, we can't and wouldn't want to. We believe the ultimate arbiter of that is the consumer.

"If we keep talking to the consumer about our products, building knowledge and confidence, we'll get the return call time after time, and ultimately make the profit we need on our brands.

"It's up to the retail channels to do business that way. When the wraps are taken off a business, free enterprise takes over. All the more reason to build brands and trade franchises. Then the brand has that much more leverage over the retail trade. They must treat your brand right or consumers will rebel against them." ■

Their golf game is head-on-head advertising

Golf ball leaders are holding their share of market by claiming superiority for their new products. But they're not expanding their market. Here's how they play the game.

Spalding and Acushnet golf balls dominate in their field, but they've got a problem.

Unit sales are creeping up at a snail's pace — 3% a year.

Their current strategy is head-on-head advertising. They're making money and holding their shares in this stalemate. But they'd like to find a way to expand the golf market.

Golf ball volume is a multiple of number of golfers and rounds of golf played. There are about 14.4 million golfers (those who golf at least once a season). But only about 8.5 million are frequent or moderately frequent golfers. The companies need to increase frequency, but aren't really aiming their advertising at that objective.

The golf market "has been essentially flat for the past seven years if you look at the number of participants," says Ralph Carlson, Spalding vp of worldwide marketing. "Golf ball sales respond to rounds played rather than players."

Without an expanding market, golf ball manufacturers like Spalding must look for growth at the expense of other competitors. The total golf equipment market is estimated to be $230 million. Chasing after essentially the same golfers, using the same limited media, the golf ball manufacturers find themselves locked in a very close competitive battle, with success turning on the smallest perceived advantages.

"The main battles have been focused at the top of the golf ball line," Carlson points out, "featuring the tournament quality conventional golf ball and the innovative durable long distance golf ball."

Acushnet's Titleist is generally conceded to be the market leader among the top-of-the-line conventional golf balls, while Spalding's Top Flite has seized the leading position in the durable ball segment and has wrestled its distance claim to the top of consumer perception. Carlson doesn't like to say he isn't the market leader and prefers to talk of the total golf ball market rather than the top of the line products. "Spalding and Acushnet are very close in the total number of golf balls sold," he claims.

like radio station reps explaining the most recent ratings and showing how their station is number one in some category, the golf ball marketers make precise claims to a variety of numbers on distance. "Spalding has always been the longest ball in golf when you total the drive and five-iron shot," says John Fitzgerald, vp at Hill, Holiday, Connors, Cosmopolos (HHCC), Spalding's advertising agency.

Titleist claims to be the longest ball off the tee (counting the drive alone), counters Terrence K. O'Leary, vp at Humphrey Browning MacDougall (HBM), the Acushnet advertising agency. Besides longest ball, there is another spate of precise claims being made concerning use of particular golf balls on the pro tour and money won on the tour by different balls.

While all the manufacturers may cling to subtlety and precision claims, Spalding is frank in its assessment of its overall position in the market. The company is fighting back toward the top after falling far down in the pack.

Spalding has been in the golf business for many years, but market share eroded greatly during the 1960's. By 1969, Spalding's share of the market was "very, very low, maybe a handful of points," concedes Carlson, who joined the firm in 1973 from SSC&B.

To become a factor again in the market, Spalding turned to research and development for a new golf ball. After several test products and trial periods, Spalding was ready to introduce the Topflite, a long distance ball that was resistant to cutting and cracking. By 1975, Topflite was propelled into national golf prominence with the Topflite Challenge campaign.

That action generated much competitive reaction. Other manufacturers rushed to find areas of product superiority, says Carlson, resulting in the many precise performance claims still being made today. The Spalding claim of the longest ball is based on what the company believes is the frequent recreational golfer's most prefered yardstick, tee to green.

The Spalding Topflite was advertised, supporting the distance claim, first by Wilson Haight and Welch (Hartford) and then by HHCC for the past two years. The advertising strategy "has been directed from here," notes Carlson at Spalding's western Massachusetts headquarters, and has helped return Spalding to a position as a major golf ball challenger.

Fitzgerald believes that consistency pays off. "Many advertisers prematurely walk away from an initial marketing position." Position changes every few years, he continues, often will only confuse consumers. Topflite, since its inception, has clung to its distance and durability claims, which is only now being publicly challenged in competitive advertising.

The challenger is Acushnet's new Pinnacle golf ball, a solid core, cut resistant, long distance golf ball in the same category as the Topflite and Topflite XL. While Acushnet's Titleist remains the undisputed leader in the conventional (wound core), professional calibre golf ball, the company has continually found itself responding to aggressive challenges from Spalding.

Both Topflite and Titleist golf balls are sold primarily through golfing pro shops, on-course and now increasingly off-course, as well as at some recognized driving ranges. The balls are sold directly by the manufacturers' sales forces. There are about 7,000 operating on-course pro shops with about 1,500 recognized off-course shops. The golf balls are increasingly seen in more general retail outlets where dealer-grade imitations are commonly found.

Acushnet had to react to the Topflite. Despite an approximately 40% share of the market in the mid 1970's, the company saw that Spalding's efforts were creating a new market segment that would have to be addressed somehow. The result was the Titleist DT, a third major golf ball variety combining the durable cover with the conventional wound core. "Spalding did a very good job establishing the durable segment," notes O'Leary.

Acushnet was careful, however, to skirt Spalding's "won't cut" claim with their own "cut resistant" position. HBM promoted the new Acushnet product as a ball which would play like the Titleist but be cut resistant.

There is a difference in the way the two types of golf balls play, explains Carlson. Professionals do not gener-

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Media expenditures of three golf ball leaders

The three leaders in golf balls are Spalding (a Questor product), Acushnet (a division of American Brands) and Wilson (now part of Pepsico). Spalding and Acushnet dominate. All three are spending against the current golfers in golf magazines and network tv coverage of golf tournaments. Here are published figures 1977-1979.

	Total	Magazines	Network tv	Spot tv
1977				
Spalding	$1,845,000	$ 849,000	$ 990,000	$ 6,000
Acushnet	1,792,000	676,000	1,116,000	—
Wilson	966,000	166,000	800,000	—
Total	4,603,000	1,691,000	2,906,000	6,000
1978				
Spalding	2,052,000	874,000	1,065,000	113,000
Acushnet	1,524,000	313,000	1,211,000	—
Wilson	861,000	120,000	741,000	—
Total	4,437,000	1,307,000	3,017,000	113,000
1979				
Spalding	2,302,000	1,233,000	871,000	198,000
Acushnet	1,537,000	472,000	1,065,000	—
Wilson	1,108,000	258,000	850,000	—
Total	4,947,000	1,963,000	2,786,000	198,000
1980				
Spalding	2,289,000	1,057,000	1,221,000	10,000
Acushnet	2,223,000	793,000	1,339,000	82,000
Wilson	1,756,000	356,000	1,400,000	—
Total	6,268,000	2,206,000	3,960,000	92,000

Source: LNA-BAR.

ally like the way that the solid core Topflite (and other brands similarly constructed) plays. Recreational golfers are less sensitive to the feel of the ball and will respond to distance claims and the no-cutting characteristics. Consumers responded enthusiastically to the introduction of the Spalding Topflite, desite resistance from the pros.

The industry leader also had to respond to Spalding's distance claims. "Spalding forced a redefinition of distance in the consumer's mind" with its tee to green approach, adds O'Leary. Neither the Titleist nor the Titleist DT could directly challenge the Spalding Topflite in durability or distance, the qualities which were leading Spalding's charge back into contention as a golf ball industry power. A new product was needed. Advertising alone wouldn't do the trick.

While advertising was very effective in changing the public's perception of distance to favor Spalding, the major golf ball manufacturers had very similar advertising. Both Spalding and Acushnet rely heavily on network coverage of pro golf tournaments, consumer golf magazines and *Sports Illustrated*.

Spalding Golf Ball Media

Print
Golf Magazine
Golf Digest
Country Club Golfer
PGA Magazine
Golf Shop Operation
Various Golf
  Annuals/Directories
Tournament Program

Consumer Print
Sports Illustrated
In Flight Magazines
Sport

Newspaper
The Wall Street Journal

Broadcast
Network/Spot Television
Golf Tournament Programing

For the past five years Spalding has relied almost exclusively on network tournament coverage, spot tv for coverage of tournaments not part of the network schedule and the golf magazines. The golf magazines deliver the hard core golfer while the golf tournament tv coverage delivers a broader golf audience, explains Fitzgerald.

That is the traditional media approach, notes Carlson. Narrow but efficient, the approach continues to work. The company constantly monitors golfer media habits, but other media vehicles tend to be very expensive per golfer. Spalding has explored radio and newspapers, particularly *The Wall Street Journal*, and has been a leader in using cable tv for its soccer ball advertising, but not for golf.

The print ads tend to be four-color, full or two-page spreads. The tv spots are thirty seconds. Disdaining golf celebrities because the category is already celebrity intensive, and lacking a high level of acceptance of the Topflite on the professional tour, the agency used St. Andrews golf course in Scotland as the setting for the latest series of ads.

"St. Andrews is bigger than any celebrity," says Fitzgerald of the legendary course where golf was born. The St. Andrews concept also fits Spalding's new effort for the Topflite XL ball, with construction characteristics making the ball fly higher. The familiar Scottish lyric "You take the high road," is used.

To respond, Acushnet has introduced the Pinnacle, a solid core, no-cut golf ball that can meet Spalding's Topflite head-to-head. To support the new product, dramatic tv spots are being run, showing a gleaming guillotine slicing through the competing product, but not the Pinnacle.

Already caught up in increasing segmentation, the golf ball manufacturers are anticipating even more. ■

SCHEDULING GUIDE TO AD READERSHIP STUDIES

The 1982 ad study list

Bruce S. Childers, senior vp-marketing services, Meldrum & Fewsmith, Cleveland, prepared this report on ad readership services of consumer, business and farm magazines in 1982. The report is sectionalized by health care books, Canadian publications, consumer magazines, farm publications, general business/management/news and, specialized business publications. Shown in each case are readership services offered and issues that will be researched. This list was originally scheduled for publication in the December and January issues but due to delays in processing at Decisions we are running the entire compilation through December 1 in this issue.

If preliminary indications hold true, 1982 will be another year when the number of publications offering ad readership studies will continue to increase. In 1980, 470 publications offered studies while 529 did so in 1981. As of the cut-off date for this article, 456 publications have confirmed their plans for studies in 1982.

While this number is lower than the final count for 1981, it is higher than the number of confirmations received at the same time last year. Therefore, we are predicting that the final number of publications offering ad readership studies in 1982 will show another increase.

For the users of ad readership studies, there is additional good news in the indication that the total number of studied issues available will also

NUMBER OF STUDIES

Publication class	1980 actual		1981 actual		1982 scheduled*	
	Publications	Number of studies	Publications	Number of studies	Publications	Number of studies
Consumer publications	59	332	65	336	51	258
General business, management and news publications	23	311	26	324	21	272
Specialized business publications	303	1,084	320	1,213	288	1,066
Health care publications	44	155	56	165	55	166
Farm publications	26	31	30	38	29	40
Canadian publications	15	26	32	60	19	42
TOTALS:	470	1,939	529	2,136	463	1,844
(Scheduled as of 12/1/80)			(447)	(1,821)		

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* As of 12/1/81.

increase proportionately with the number of publications offering studies. In 1980, the average studied publication had 4.13 studied issues while in 1981 there were 4.04 studied issues. All indications are that the number of studied issues per publication (on average) will remain the same for 1982.

The maintaining of the number of studied issues per publication is good news for the serious user of ad readership studies. In the not too distant past, there was considerable erosion in the number of studied issues offered. At the time, this caused us great concern — and still does.

This is because we believe that readership scores for individual ads should not be used for sharp comparisons but should be regarded as broad indicators subject to modification with the addition of more data. We further believe that it is only when the scores of several ads, or even those for a whole campaign, are compared that the readership figures become significant. So, when a publication offers only a few studied issues, it becomes difficult to build a sufficient track record to judge ad readership performance.

Overall, we would have to assume that the anticipated increase in planned readership studies for 1982 reflects a number of factors. One is that the trend shows that the publishing community has responded to the increased interest in ad readership studies that began several years ago. This interest, we believe, stems from an increased recognition by advertisers and many agencies of the need to measure advertising performance and a realization that the ad readership studies, when used properly, contribute to their performance evaluations.

On the other hand, the trend in the number of studied issues per publication probably reflects the cost pressures felt by publishers. Ad readership studies are not inexpensive and the bulk of the cost, even for the studies for which a fee is charged, is carried by the publication. Possibly it's time for the users of ad readership studies to let the publications know how much this valuable service is appreciated and needed.

The following listing is the preliminary schedule of the publications that will be offering ad readership studies for 1982. The schedule includes those listings that were confirmed by December 1, 1981 and shows the readership service and the issues planned for study. The preliminary listing is broken down into six categories: Health Care Publications; Canadian Publications; Consumer Magazines; Farm Publications; General Business-Management and News Publications; Specialized Business Publications.

The data we are reporting has been derived from direct contact with publications and from the excellent cooperation of the many services who conduct these studies. In the listings that follow, all services are identified by their common names.

1982 READERSHIP STUDY DATES

Health care publications (human and animal)

AANA Journal — Inter-Ad: April
AAR Times — Advantage: August
AORN Journal — Fosdick: January
American Druggist — Harvey: February, April, August, October
American Journal of Ophthalmology —Readex: January, April, August
Clinical Chemistry — Ballot: March, May
Clinical Chemistry News — Ballot: April, October
Consultant — Space: January, April, July, October
Contact Lens Forum — Signet: June, November
Contemporary OB/Gyn — ReADsponse: March, June, September, December
Dental Economics — Harvey: January, July, October
Dental Management — Readex: January, April, November
Dental Practice — Ad-Gage: March, June, November/December
Dental Student — Ad-Gage: September
Diagnosis — Adx *Ad Diagnosis: February, September
Diagnostic Medicine — MI/Q: May/June, November/December
Drug Topics — ReADsponse: March 15, June 21, September 20, November 22
DVM, the Newsmagazine of Veterinary Medicine — Advertising Performance Study: March
Eye Talk — Signet: April, October
Health Care Product News — Ad-Q: May, November
Hearing Instruments — Readex: February
Hospital Medicine — PAR: February, May, July, October
Hospitals — Hagen/AMS: March 1, August 16
The Journal of the American Dental Association — Advertising Performance Study: March, September
Journal of the American Medical Association — Hagen/AMS: February 12, May 15, August 13, November 12
Journal of the Veterinary Medical Association — Fosdick: June 1
The Journal of Respiratory Diseases —SPACE: January, April, July, October
MD Medical Newsmagazine — Starch: January to December
Medical Aspects of Human Sexuality —PAR: March, June, August, November
Medical Economics — ACT: January-April, May-August, September-December
Medical World News — Ad/Vise: March 1, June 7, September 1, December 6
MLO/Medical Laboratory Observer —ReADsponse: January, April, August, November
Modern Healthcare — Fosdick: January, March, May, July, September, November
Modern Medicine — Readex: January, February, March, May, June, July, September, October, November, December
Modern Veterinary Practice — Inter-Ad: February, July
Nursing — Harvey: February, May, August, November
Nursing Management — Inter-Ad: February, March, May, June, October, November
Occupational Health & Safety — Ad-Gage, March, September
Ophthalmic Surgery — Inter-Ad: February, September
Optical Management — Signet: March, August
Optometric Management — Signet: March, July
Orthopedics — Inter-Ad: March, June, September
Pediatric Annals — Inter-Ad: March, July
Pharmacy Times — P.I.P.: March, September
Pharmaceutical Technology — Advertising Performance Study: June
Physician and Sportsmedicine — Reader Re-Play: March, June, September, December
Physician's Management — Ad/Spectrum: February, May, August, November
Postgraduate Medicine — Ad-Q: January, April, July, October
Psychiatric Annals — Inter-Ad: March, September
Psychosomatics — SPACE: January, April, July, October
Respiratory Care — Advantage: March
Southern Medical Journal — Inter-Ad: March, July
Surgery, Gynecology & Obstetrics —Inter-Ad: February, May, August, November
Today's O. R. Nurse — Readex: March, September
U.S. Pharmacist — Advantage: February, May, August, October

Canadian Publications

Canadian Chemical Processing — Starch: May
Canadian Datasystems — Starch: June
Canadian Doctor — Starch: February, June, October
Canadian Hotel & Restaurant — Starch: March, September
Electronic Products & Technology —Ad-Q: February
Engineering Digest — Starch: February, May

SCHEDULING GUIDE TO AD READERSHIP STUDIES

Engineering Times — Ad-Q: January, April, July, December
En Route — Starch: January, April
Financial Times of Canada — Starch: March 8, May 31, September 20, November 15
Flare — Starch: May, September
Foodservice & Hospitality — Starch: March
Health Care — Starch: February
Heavy Construction News — Starch: January 18
Homemaker's Magazine/Madame Au Foyer — Starch: April, September, November
Industrial Management — Harvey: February, May, September
Motor Truck — Ad-Q: February, July, September
Physicians Management Manuals —Advantage: March, July, December
Plant Management & Engineering — Starch: March, June, October
Purchasing Management Digest — Ad-Q: April, September

Consumer Magazines

Audio — Readex: April, July, November
Better Homes and Gardens — MIRS: February, April, July, September, December; Starch: April, May, September, October, November
Better Homes and Gardens Kitchen & Bath Ideas — Starch: Spring, Winter
Better Homes and Gardens Remodeling Ideas — Starch: Spring, Fall
Book Digest — Starch: April, November
Boston Magazine — Starch: October, November
Co-Ed — Starch: April, September
Cosmopolitan — MIRS: February, April, June, September, November; Starch: March, April, May, June, September, October, November, December
Ebony — Starch: February, March, April, May, June, August, September, October, November, December
Essence — Starch: March, September
Family Weekly — Starch: TBA
Field & Stream — Starch: February, October
Glamour — MIRS: March, May, August, October, December; Starch: March, April, May, August, September, October, November
Golf Digest — In-House: Spring; Starch: February, May
Golf Magazine — Starch: January, June
Good Housekeeping — Starch: February, March, April, May, June, July, September, October, November, December
Homeowners How-To — Starch: January/February, September/October
Hot Rod Magazine — Starch: April, May
House Beautiful — Starch: March, April, May, September, October, November
House Beautiful Home Remodeling —Starch: Spring/Summer, Fall/Winter
House & Garden — Starch: February, March, April, May, September, October, November
Ladies' Home Journal — Starch: January to December
Mademoiselle — Starch: August, April, October
McCall's Magazine — Starch: March, April, May, October, November, December
Mechanix Illustrated — Starch: April, May, November
Modern Bride — Starch: April/May, October/November
Motor Boating & Sailing — Starch: January
New York Times Fashions of the Times —Starch: March 28, September 12 (Men's); March 2, August 29 (Women's)
New York Times Magazine National Economic Survey — Starch: January 10
Outdoor Life — Harvey: June/October
Parade — Starch: January 3, January 17, January 31, February 14, February 28, March 14, March 21, April 4, April 18, May 2, May 16, June 6, June 13, June 27, July 11, July 18, August 1, August 22, September 12, September 19, October 10, October 17, October 31, November 14, November 28, December 12
Penthouse — Starch: January, February, March, April, June, October, November
People Weekly — Starch: TBA; MIRS: March 15, April 26, June 21, September 27, November 22
Plate World — Readex: November, 1982 — January, 1983
Playboy — MIRS: January, March, June, October, December; Starch: March, April, May, June, September, October, November, December
Popular Mechanics — Starch: March, April, May, September
Popular Science — Starch: March, May, October
Reader's Digest — Starch: January, February, March,April, May, June, August, September, October, November, December
Redbook Magazine — Starch: March, October
Senior Scholastic — Starch: September
Seventeen — Starch: February, April, May, August, October, December
Ski — Starch: March, September
Snowmobile — Readex Red Sticker: November
Southern Living — Starch: March, April, May, October, November, December
Sunset — Starch: February, March, April, May, June, September, October, November, December
Teen — Starch: November
Tennis — In-House: January, June; Starch: June
True Story — Starch: February, April, June, September, October, November, December
Vogue — Starch: April, November
Woman's Day — Starch: All 15 Issues
Yachting — Starch: January, July, September

Farm publications

Beef — Readex Red Sticker: September
California Farmer — Reader Opinion Research: March 20
Colorado Rancher & Farmer — Ballot: February
Dairy — Readex Red Sticker: March
Dairy Herd Management — Fosdick: February
Dairy Record — MMS: May
Drovers Journal-NFF — Readex Red Sticker: January 7
The Farmer — Ballot: February 6
Farm Industry News — Ballot: January (South), February (Midwest)
Farm Journal — In-House: Mid-January, March, June/July, August, October, December
Farm Store Merchandising — Fosdick: February
Feedlot Management — Fosdick: February
Feedstuffs — Fosdick: March 22, August 23
Hog Farm Management — Fosdick: February
Irrigation Age — Readex Red Sticker: March, October
Kansas Farmer — University Research: February 6
Kentucky Farmer — Readex Red Sticker: November
Michigan Farmer — University Research: October 2
Missouri Ruralist — University Research: February 13
National Hog Farmer — Readex Red Sticker: March
Nebraska Farmer — Ballot: January 16
The Ohio Farmer — University Research: September 4
Pennsylvania Farmer — University Research: January 2, August 7
Pig American — Readex Red Sticker: April
Prairie Farmer — Farm Progress Publications Research: February 20, November 6
Soybean Digest — Readex Red Sticker: February
Successful Farming — Ad Chart: February
Wallaces Farmer — Farm Progress Publications Research: March 27, September 11
Wisconsin Agriculturist — Farm Progress Publications Research: April 24, October 9

General business, management and news publications

Barron's – National Business and Financial Weekly — Ballot: January 18, February 22, March 22, April 12, May 17
Business Week (National) — Starch: January 12, January 19, January 26, February 2, February 9, February 16, February 23, March 2, March 9, March 16, March 23, April 6, ,April 13, April 20, April 27, May 4, May 11, May 18, May 25, June 1, June 8, June 15, June 22, July 6, July 13, July 20, July 27, August 3, August 10, August 17, August 24, September 7, September 14, September 21, September 28, October 5, October 12, October 19, October 26, November 2, November 9, November 16, November 23, December 7, December 14, December 21, December 28
Business Week (Industrial) — Starch: January 12, January 19, January 26, February 9, February 16, February 23, March 9, March 16, March 23,. April 6, April 13, April 20, May 4, May 11, May 18, June 1, June 8, June 15, June 29, July 6, July 13, July 27, August 3, August 10, August 24, August 31, September 7, September 21, September 28, October 5, October 19, October 26, November 2, November 16, November 23, November 30, December 14, December 21, December 28

Dun's Business Month — Starch: January, February, March, April, May, June, July, August, September
Forbes — Starch: January 4, February 15, March 15, April 12, April 26, May 10, September 13, September 27, October 11, October 25, November 8, November 22
Fortune — Harvey (Adverbatims): January 11, February 22, March 22, April 5, April 19, May 3, June 14, July 12, August 23, October 4, October 18, November 1, November 29; Starch: February 8, March 22, April 19, May 3, June 14, September 20, October 18, November 15
Inc. — Harvey: January, May, August, November
Industry Week — Starch: January 11, February 22, March 8, April 19, May 31, June 14, July 26, August 9, September 20, October 4, November 15, December 13
International Management (Europe) — In-House: March, June, September
International Management (Latin-America Spanish) — In-House: January, August, December
International Management (Middle East-Arabic) — In-House: February, May, October
International Management (Pacific/Africa) — In-House: April, July, November

Newsweek — Starch: February 15, March 15, April 12, April 19, May 10, May 17, June 14, September 13, September 20, October 11, October 18, November 8, November 15, November 22, December 6; MIRS: January 25, February 8, March 8, May 17, June 14, August 23, ,September 20, October 18, November 1, December 13
Scientific American — Starch: April, September
Sports Illustrated — MIRS: February 22, March 22, May 24, June 7, October 4, November 8; Starch: January 18, February 1, April 5, April 12, May 10, June 28, July 12, August 30, September 6, October 18, December 6, December 27
Time — MIRS: February 15, April 12, May 10, July 19, October 11, December 6; Starch: April 19, May 17, November 8, December 6
U.S. News & World Report (Blue Chip Demo) — Starch: May 10, June 7, November 22
U.S. News & World Report (Million Market Edition) — Starch: April 19, October 18
U.S. News & World Report (National Edition) — Starch: February 22, April 19, May 10, June 7, October 18, November 8

Wall Street Journal — Subscriber Advertising Measurement: January 11, February 3, March 4, April 23, May 3; Starch: January 13, January 19, January 27, February 9, February 18, February 23, March 9, March 17, March 23, April 13, April 21, April 29, May 4, May 13, May 19, May 25, June 1, June 8, June 16, June 22, July 13, August 10, September 7, September 14, September 22, September 30, October 5, October 12, October 20, October 28, November 3, November 9, November 16, November 18, December 1, December 7
Wall Street Journal (Midwest Edition) —Subscriber Advertising Measurement: January 25, February 10, March 25, April 30, May 17

Specialized business publications

ABA Banking Journal — Advertising Performance Study: April, November
Adhesives Age — Fosdick: September
Advertising Age — Fosdick: January 25, March 22, May 17, July 12, September 20, November 1
Adweek — Ad Chart: March 29, June 28, September 27
Administrative Management — Fosdick: February, June, September
Agrichemical Age — Readex Red Sticker: January 1
AIA Journal — Counsel House Research: January, March, May, July
Air Conditioning, Heating & Refrigeration News — Readex Red Sticker: January 18, March 15, May 31, October 4
Air Transport World — Starch: January, May, July, October
American Automatic Merchandiser —Readex: June
American Building Supplies — Ad-Q: April
American City & County — Ad-Q: February, June, September, November
American Hairdresser/Salon Owner —Starch: April, November
American Machinist — Advertising Performance Study: March, June, November
American Shipper — Ballot: May
Analytical Chemistry — Ad/Lab: March, May, August, November
Appliance — Fosdick: May, September
Appliance Manufacturer — Cahners: January, February, May, July, September, October
Architectural Record — Starch: January, February, Mid-February, March, April, May, Mid-May, June, July, August, Mid-August, September, October, Mid-October, November, December; Ad-Sell: March, July, December
Assembly Engineering — Read/Ad: January, June
Automotive Chain Store — Ad-Q: June
Automotive Engineering — Ad-Q: March, October
Automotive Industries — Ad Chart: February, March, May, July, September, November
Automotive Marketing — Ad Chart: March
Automotive Rebuilder — Ad-Q: April, October
Aviation Week & Space Technology — Harvey: January 11, April 12, October 11 - *Special Package Section:* February 15, April 26, September 20
Bakery Production and Marketing —Ad/Call: January, April
Baking Industry — Fosdick: January
Bank Systems & Equipment — Ad-Q: August
Beverage Industry — Readex Red Sticker: March, June, September
Beverage World — Ad-Q: January, April, July, October
Bodyshop Business — Ad-Q: May, September
Brake & Front End — Ad-Q: May
Brick & Clay Record — Cahners: March, June, August, November
Broadcast Communications — Advertising Performance Studies: February, September
Broadcast Engineering — Ad-Q: May, October
Building Design & Construction — Cahners: January to December
Building Supply News — Cahners: March, April, May, August
Buildings — Fosdick: February, May, July, September
Case & Comment — Readex: March/April
Catalog Showroom Business — Ad-Q: March
Cee-Contractors' Electrical Equipment —SARA: March, November
Ceramic Industry — Cahners: February, June, August, November
Chain Store Age Supermarkets — Ad Call: May, October
Chemical & Engineering News — Ad/Lab: January 25, March 29, May 31, July 19, September 13, November 1
Chemical Engineering — Harvey: January 1, January 25, February 8, March 8, March 22, April 19, May 31, July 12, September 6, September 20, November 15
Chemical Processing — Fosdick: January, February, May, July, August, October, December
Chemical Purchasing — Fosdick: April, September
Chemical Week — Ad-Q: January 6, February 10, March 24, May 12, June 30, July 21, September 8, November 24
Circuits Manufacturing — Ballot: February, May, August, November
Civil Engineering — Ad-Q: January, April, July, October
Coal Age — Ad-Q: January, April
Coal Mining & Processing — Fosdick: January, July
Commercial Car Journal — Ad Chart: January, April, July, November
Computer Decisions — Reader Recall: February, April, June, August, October, December
Computer Design — Readex: February, July
Computerworld — Becker Reader Action Studies: February 8, May 10, November 8
Construction Contracting — Readex: March/April, May/June
Construction Equipment/Maintenance —Starch: January, June, September, October, December; Harvey: March, July
Construction Specifier — Ad-Q: March, July, November
Consulting Engineer — RAA: January, March, June, July, October, December
Container News — Fosdick: May
Contract — Ad-Q: August
Contracting Business — Starch: January, April, September
Contractor — Ballot: January, March, June
Control Engineering — RAA: January to December
Data Communications — Advertising Performance Study: April, September
Data Management — Fosdick: May
Datamation — Ad-Q: April, July, December; Harvey: February, March, August, November
Decorating Retailer — Readex: April, August, November

SCHEDULING GUIDE TO AD READERSHIP STUDIES

Decorative Products World — Ad-Gage: March, June, August, October

Design Engineering — Ballot: January, February, April, May, July, September; Ad-Sell: January, March, June

Designfax — MSS: April

Design News — Cahners: January 4, January 18, February 1, February 15, March 1, March 15, April 5, April 19, May 10, May 24, June 7, June 21, July 5, July 19, August 9, August 23, September 13, September 27, October 11, October 25, November 8, November 22, December 6, December 20

Diesel & Gas Turbine Progress — Fosdick: January

Digital Design — Ballot: February, April, June, August, October, December

Distribution — Ad Chart: February, June, October

Domestic Engineering — Reader Pulse: February, April, July, December

Drilling Contractor — Advertising Performance Studies: April, December

Drug & Cosmetic Industry — Readex: January, August

Edn — Cahners: January 6, ,February 3, March 3, April 14, May 12, May 26, June 23, July 16, August 18, September 1, October 27, November 24, December 17

Ee-Electrical Equipment — SARA: January, July

Elastomerics — Fosdick: April

Electric Light & Power — RAA: April, June, September

Electrical Construction & Maintenance —Ad Sell: January, May, October

Electrical Consultant — Ballot: January/February, May/June

Electrical Wholesaling — Readex: March, October

Electrical World — Signet: February, April, July

Electronic Business — Cahners: January to December

Electronic Component News — Ad Chart-Ad Action: January, April, July, October

Electronic Design — Reader Recall: January 7, Feburary 18, March 31, April 29, May 27, June 24, July 22, August 19, September 30, October 28, November 11, December 9

Electronic Design (International Edition) —Reader Recall: January 21, July 8, September 16, December 23

Electronic Engineering Times — Starch: January 18, March 15, March 24, July 19, September 13, November 22

Electronic Packaging and Production —Cahners: January, May, August, December

Electronics — Ad Sell: February 10, June 16, September 22; Postcom: January 27, April 7, July 14; November 12

Electro-Optical Systems Design —Cahners: February, July, December

Energy Management — Ad-Gage: January/February, May/June, August/September

Energy Management Report — Reader Interest Study: January, May, July, October, November

Engineering & Mining Journal — Ad-Q: February, May

Engineer's Digest — Readex Red Sticker: February, September

Environmental Science & Technology —Ad/Lab: March, July, December

Fast Service — Readex: March, September

Feed Management — Readex Red Sticker: January

Fire Chief — Readex: August

Fire Journal — Ad-Q: March

Fire Service Today — Fosdick: March

Fleet Maintenance & Specifying — Ad-Q: February, May, October

Fleet Owner — Readex: January, February, April, July, September, November

Fleet Owner/Small Fleet Edition — Readex: February, June, September

Food and Drug Packaging — Readex: January, June

Food Development — Readex Red Sticker: February

Food Engineering — Ad Chart: January, April, July, September, October, December

Food Management — Readex: March, October

Food Processing — Fosdick: January, February, March, May, July, September, November

Food Service Marketing — Fosdick: January, April, September

Forecast — Readex Red Sticker: February, October

Forest Industries -- Readex Red Sticker: June, October

Foundry Management & Technology — Ad Fax: January, February, May, July, September, October

Garden Supply Retailer — Fosdick: August

Giftware Business — Ad-Q: April, October

Government Product News — Ad Component Rating: January, May, September

Graphic Arts Monthly — Ad Readership Analysis: February, May, August 20, November

Handling & Shipping Management —Starch: March, April, May, September

Hardware Age — Ad Chart: January, March, May, July, September

Hardware Merchandiser — Ad-Q: March, June, September, November

Heating/Piping/Air Conditioning — Ad-Gage: January, April, June, September

Heavy Duty Marketing — Ad-Q: July/August

Heavy Duty Equipment Management/Maintenance — Ad-Q: January, June, September

Heavy Duty Trucking — Starch: February, May, August, November

Highway & Heavy Construction — RAA: February, March, May, August, October, November

Home & Auto — Readex Red Sticker: May 1

Home Center Magazine — Ad Sell: May, October

Hospitality (Lodging) — Starch: May, August, November

Hospitality (Restaurant) — Starch: March, July, September, November

Hotel/Motel Management — Readex Red Sticker: April, November

Hydraulics & Pneumatics — Readex: March, May, July, September

Importcar — Ad-Q: February, September

Independent Agent — Harvey: January, July

Industrial Design — Ad-Q: January/February

Industrial Distribution — Ballot: February, May, June, August, October, December

Industrial Distributor News — Ad-Q: January, May, September

Industrial Engineering — Ad-Q: April, September

Industrial Equipment News — Harvey: March, April, June, September, October, November

Industrial Finishing — Read/Ad: May, November

Industrial Maintenance & Plant Operation —Ad-Chart: January, March, June, August, October

Industrial Research/Development — RAA: January to December

Industrial Safety Product News —Advertising Readership Reports: January, April, September

Infosystems — Ballot: April, August

In-Plant Reproductions — Ad-Q: March

Institutional Distribution — Advertising Performance: August

Instructor — Harvey: January, April, November

Instrument & Apparatus News — Ad Chart-Ad Action: January, March, May, August, November

Instruments and Control Systems — Ad Chart: January, February, April, July, August

Insulation/Circuits — Fosdick: March

In-Tech — Ad-Q: March, October

Interiors — Ad Sell: March

Iron Age — Ad Chart: January 4, January 22, February 10, March 1, March 10, April 5, April 23, May 21, June 16, July 6, July 23, August 20, September 6, September 24, October 13

Iron Age-Metal Producing Edition — Ad Chart: April 5, July 6, September 6

Jobber Topics — Readex: January, March, May, August, October, November

Jobber & Warehouse Executive — Ad-Gage: May

Journal of the American Dietetic Association — Readex: April, September

Journal of Petroleum Technology —Fosdick: February, April, July, October

Kitchen & Bath Business — Ad-Q: March, October

Laser Focus — In-House: February, September

Lawn & Garden Marketing — Ad-Q: October 25

Machine and Tool Blue Book - Ballot: January, June

Machine Design — Ad-Gage: January 7, January 21, February 11, February 25, March 11, March 25, April 8, April 15, April 22, May 6, May 13, May 20, June 10, June 17, June 24, July 8, July 22, August 12, August 26, September 9, September 23, October 7, October 14, October 21, November 11, November 18, November 25, December 9

Madison Avenue — Ad-Sell: February, August

Magazine Age — Ad Chart: May

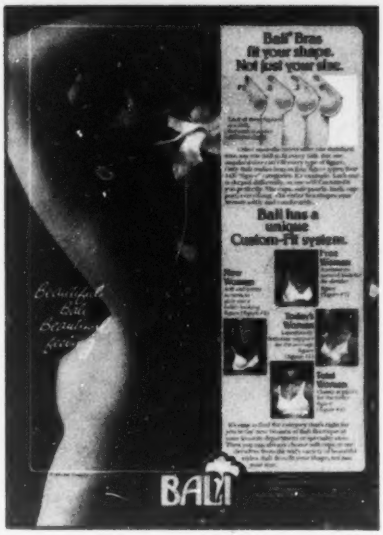
Manufacturing Engineering — Readex: February, March, June, September

Marine Engineering/Log — Fosdick: March, August

Material Handling Engineering — Starch: January, April, May, June, August, November
Materials Engineering — Starch: January, March, May, July, September, November
Mechanical Engineering — Fosdick: March, April, June, September, October
Meeting News — Ad-Q: July
Meetings & Conventions — Harvey: January
Merchandising — Ad-Q: August, September, November
Metal Progress — Ad-Q: January, March, April, May
Microwaves — Readex Recall: January, April, June, October, December
Mini-Micro Systems — Cahners: February, March, April, June, July, October
Mining Engineering — Readex: October
Modern Casting — Readex: March, October
Modern Machine Shop — Ad-Q: January, July
Modern Materials Handling — Cahners: January 6, January 20, February 5, March 19, April 6, June 7, July 20, September 7, September 21, November 5
Modern Office Procedures — Starch: February, March, May, June, September, November
Modern Paint & Coatings — Fosdick: June, November
Modern Plastics — Harvey: February, May, August, November
Modern Railroads/Rail Tranist — Cahners: January to December
Motor — Ballot: February, May, September
Motor/Age — Ad Chart: September
Motor Service — Ad-Gage: July
Multi-Housing News — Ad-Q: April/July
National Jeweler — Ad-Q: June 16, November 1
National Safety News — Fosdick: April
New Equipment Digest — Hagen/MMS: January, March, April, June, July, September, October, November
The Northern Logger and Timber Processor — Readex: June
Occupational Hazards — Readex: April, August, October
The Office — Readex: February, May, August, November
Office Products Dealer — Ballot: March, October

Offshore — Harvey: March, June 5, September, December
Oil & Gas Digest — Ad Chart: March, October
Oil & Gas Journal — Harvey: January 4, February 1, March 1, April 26, July 5, August 23, September 20, December 6
Optical Spectra — Ad-Q: July, December
Package Engineering — Cahners: January, February, April, May, August, September, December
Package Printing — Ad-Q: April
Packaging Digest — Harvey: January, May, September
Paper Trade Journal — Ballot: April 30, July 30, October 30
Personnel Administrator — Fosdick: June
Pest Control — Readex: February, September
Petroleum Engineer International — Reader Interest Study: January, July, November
Pipe Line Industry — Reader Rating: February, April
Pipe Line Industry (Europe) — Reader Rating: November
Pipeline & Gas Journal — Reader Interest Study: January, May, October
Pit & Quarry — Ad-Gage: March, June, August
Plant Energy Management — Readex Red Sticker: April, October
Plant Engineering — RAA: January 7, January 21, February 4, February 18, March 4, March 18, April 1, April 15, April 29, May 13, May 27, June 10, June 24, July 8, July 22, August 5, August 19, September 2, September 16, September 30, October 14, October 28, November 11, November 24, December 9. Dec. 23
Plant Services — Fosdick: January, April, June, September
Plastics Technology — Signet: January, March, August, December
Plastics World — Cahners: February, March, May, July, August, October
Pollution Engineering — Fosdick: February, June, September, November
Power — Harvey: March, June, September
Power Engineering — RAA: April, August, November
Power Transmission Design — Readex: January, April, July, October
Premium/Incentive Business — Ad-Q: March
Printing Impressions — Ad-Q: February
Processed Prepared Food — AIS: March, November
Product Design & Development — Ad Chart-Ad Action: January, March, May, July, September, November
Production — Harvey: January, April, July, October
Production Engineering — Ad-Gage: January to December
Production Manufacturing Planbook — Harvey: Mid-April
Products Finishing — Ad-Q: June
Professional Builder & Apartment Business — Cahners: February, March, November, December
Professional Furniture Merchant — Ad-Q: June

The Professional Photographer — Ad Sell: April
Professional Remodeling — Readex: February, June/July
Progressive Architecture — Readex: January to December
Progressive Railroading — Readex: January, July
Pulp & Paper — Readex: April, September; Harvey: February, July, November
Purchasing Magazine — Starch: January 28, February 11, April 29, June 10; Cahners: March 11, May 13, July 8, September 23, October 7, November 18
Purchasing Magazine (Chemical Process Industries Edition) — Cahners: January 14, February 11, March 11, May 13, June 10, November 4
Purchasing World — RAA: January to December
Qualified Remodeler — Inter-Ad: June
Quality — Ad-Q: January, June, October
Railway Age — Simmons: January 25, June 28, September 13
Railway Track & Structures — Simmons: March
Restaurant Business — Starch: March 1, May 15, September 1, November 1
Restaurants and Institutions Magazine —Starch: January 1, April 1, May 15, June 15, October 15, December 1
Rock Products — Fosdick: February, May
School Food Service Journal — Readex: March
School Product News — Starch: February, September
Security Dealer — Ad-Q: June
Security Distributing & Marketing —Cahners: March, May, August
Security Industry & Product News — Ad-Q: June
Security World — Cahners: April, July, December
Semiconductor International — Cahners: March, May, July, December
Service Station Management — Ad Gage: June
Solid Waste Management — Fosdick: June
Southern Pulp and Paper — Ad-Q: May, August, December
The Specialist — Ad Chart: May/June
Specialty & Custom Dealer — Ad-Q: April
Specifying Engineer — Cahners: February, April, May, June, August, September, November, December
Sporting Goods Business — Ad-Q: April
Super Service Station — Ad-Q: March, July, November
Tappi — Fosdick: January, May, July, September
Telephone Engineer & Management — Readex: March 1, June 1, October 15
Telephony — Fosdick: February 8, May 3, July 19, September 13
Textile Industries — MMS: January
Textile World — Ad-Q: Jan., April, Aug.
33 Metal Producing — Harvey: February, May
Tire Review — Ad-Q: February
Tooling & Production — Hagen/AMS: February, July, December
Traffic Management — Cahners: October; Readex: January, February, April, September
Traffic World — Readex: January 25; Starch: May 24; Harvey: December 6
Transmission & Distribution —Starch: January, May, July
Transport Topics — Ad-Q: April 26, October 18
Truck & Off-Highway Industries — Ad Chart: April, August, October
United States Banker — Ballot: June
Ward's Auto World — Readex: March, July, September, December
Warehouse Distribution — Readex: January, April, June/July, September, November/December
Warehouse Distributor News — Ad-Q: January, May
Water Engineering & Management —Fosdick: January, May, July, October
Weeds, Trees & Turf — Readex: March, June, October
Welding Design & Fabrication — Starch: February, August
The Wholesaler — Reader Pulse: April, July, October
Wood & Wood Products — Fosdick: June
Woodworking & Furniture Digest — Read-Ad: March, September
Word Processing Systems — Fosdick: July


Bali® Bras fit your shape. Not just your size.
Bali has a unique Custom-Fit system.
BALI

Brand Report 72:

Hosiery & lingerie

With the number of career-minded working women increasing, intimate apparel and hosiery marketers are enjoying a boom. To reach this new breed of woman, who has more discretionary income but less time to shop, leading advertisers are investing heavily in net tv and print.

As inflation's bite and high interest rates continue to erode profits and create a darkening cloud over the U.S. economy, the intimate apparel industry is enjoying record growth. To take full advantage of heavy consumer buying in this field, major advertisers budgeted over $155 million in 1980, according to Leading National Advertisers.

One theory about the boom in intimate apparel is that this market is actually benefiting from the inflated prices in other segments of the garment industry. The reasoning: since the price of outer garments is so forbiddingly high, a great many women substitute what they need for what they can afford.

As one industry spokesperson put it, "Instead of walking out of the store empty-handed and depressed because she can't afford what she wants, the average woman will buy a luxury item for a quick pick-me-up. And, more often than not, that item will be a sexy slip, teddy, bra, camisole or any number of other garments in the intimate apparel line. The same holds true for hosiery, which is a relatively inexpensive purchase compared to the cost of a new dress, skirt or blouse.

Sources also say that although many consumers feel the squeeze of the economic crunch, another segment of the population has more discretionary income than ever before — working women.

However, Fred Karsh, executive vice president, Creamer, Inc. warns advertisers "not to look at working women as a monolithic whole." He goes on to explain that "There are a great many women working solely to supplement the family income. They are not the big spenders. These people may be spending a little more on clothes than in the past because they

Bras & Lingerie 1980

	6 media total	Magazines	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor
Bali	$ 1,256,300	$ 243,300			$1,013,000			
Playtex	12,151,000	1,541,300	$ 14,000	$9,764,600	831,100			
Maidenform	1,426,500	1,280,400	146,100					
Sears	3,040,500	436,700		2,256,900		$346,900		

Sources: Leading National Advertisers, 1980.

are in a working environment, but their money usually goes toward essential items — nothing frilly or out of the ordinary."

Then there is the career-minded working woman. Earning upwards of $15,000, she wants to look good on the job, and needs the clothes to create an image. Says a spokesperson for Maidenform: "The mean age of this new breed of working woman is 34. Although she was affected by changes in the 60's, here lifestyle has changed dramatically since that time. Fifteen or so years ago she might not have paid much attention to her looks, but today she is well groomed and spends a good deal of money on clothes and makeup."

This woman has many different types of clothing needs. She wants outer garments that enhance her professional image. "But underneath it all she wants support, fit and comfort," says Steve Marcus, marketing vp for Bali bras. And an increasing number of women who wear conservative business suits are buying soft, feminine, intimate apparel to help feel inwardly sexy, despite their man-tailored look.

Although women are buying more hosiery than ever, they have less time to shop in department stores, the traditional buying place for hosiery. To come to terms with this problem, Hanes introduced a low-priced pantyhose line under a different brand name — L'eggs — and hatched them in places that were easily accessible to the lunch hour shopper — mass merchandising supermarket and drug store chains. At the same time they were able to maintain their upscale image by confining the Hanes line to department and speciality stores.

This trend-setting move into mass merchandising low-to-mid price pantyhose sparked an explosion of other hosiery brands, as well as a wide variety of styles to meet the working women's needs. In 1980, leading hosiery manufacturers spent over $60 million in net and spot tv and print advertising.

HOSIERY

Hanes

The hosiery market is in one way similar to the American car industry. Although there are many different brands, most of them are owned by a handful of corporate giants.

The Hanes Corporation, a subsidiary of Consolidated Foods, is the General Motors of women's hosiery. Housed under the Hanes name are Hanes hosiery, Underalls and Today's Girl. L'eggs Products Inc., the leading seller of mid-priced pantyhose, is also under the Hanes umbrella. According to Leading National Advertisers, the Hanes corporation spent over $40 million (six-media total) in advertising in 1980.

Hanes hosiery, the company's upscale line, is the number one department/specialty store brand in the country. Considered the Lenox of fine hosiery, the successful creative for this top-of-the-line brand, "Gentlemen

Hosiery 1980

	6 media total	Magazines	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor
Easy To Be Me	$ 3,383,300	$ 437,100		$2,900,900	$ 45,300			
Hanes Hosiery	7,418,700	2,211,500		4,871,300	335,900			
Hanes Too	75,100	75,100						
L'eggs	24,914,700	5,938,600	$169,700	17,648,900	392,300	$765,200		
No Nonsense	13,283,800	2,048,400		10,683,200	552,200			
Underalls	6,965,000	524,700		6,386,000	54,300			
Today's Girl	2,319,600			2,300,000	19,600			

Sources: Leading National Advertisers, 1980.

prefer Hanes," has been running for eight years.

After grabbing the top spot in the fine hosiery market, Hanes introduced Hanes Too in September of last year to compete with mid-priced panty hose mass distributed in food and drug outlets. Says Nancy Burghart, account supervisor at Dancer Fitzgerald Sample, Hanes Too is targeted to younger women who are "aware of Hanes and who would love to purchase the brand, but cannot reconcile themselves to its premium price."

The media for Hanes and Hanes Too is primarily tv and women's magazines, with a greater percentage of the approximate $15 million budget allocated to net tv.

Comments Burghart, "Based on past experience and extensive testing, net tv, using a mix of dayparts, provides the most effective means of generating awareness and impact for the Hanes brands."

Hanes uses women's magazines to build brand image and reach the light tv viewer and specific target audiences. While ads for both Hanes and Hanes Too are in fashion magazines, Hanes hosiery is concentrated in books such as *Vogue* and *Harper's Bazaar*, while Hanes Too focusses on the younger woman with *Mademoiselle* and *Glamour*.

Underalls. The Underalls brand is a mid-priced all-in-one panty with hose guaranteed not to leave unsightly panty lines. Slenderalls promise a firm fit and Winteralls are an opaque pantyhose for cold weather wear.

The primary media for this group is network tv supplemented by a small amount of spot tv for the Winteralls brand in the top twenty-five markets. The tv spots are concentrated in prime and some dayparts to reach younger, working women. According to Leading National Advertisers, the six media total for the Underalls group was $6.7 million in 1980, compared to $5.6 million in 1979.

Today's Girl. According to Today's Girl group product director Barry Boyd, "Today's Girl is positioned at the low-priced side of the Hanes lineup." The primary media for this brand is net tv, supplemented with spot in key markets.

To reach the 18-49 demographic with a special focus on working women, Today's Girl ads run during early morning hours.

THE MAIDENFORM WOMAN
YOU NEVER KNOW WHERE SHE'LL TURN UP

Maidenform feels that soft, pretty, sexy products are the key to its success.

And since the main difference between Today's Girl and other mass distributed brands is its low price, it seems only fitting that the tag line on the tv spots is "Today's Girl. Buy it for the quality, chose it for the price."

L'eggs. L'eggs is the number one brand of mass distributed mid-priced pantyhose, according to Scott Rossborough, vp and account supervisor for L'eggs at Dancer Fitzgerald Sample. The company's growing success started back in the 1970s when it introducted a new line of pantyhose designed for and distributed to working women, and tied it in with the clever L'eggs eggs packaging idea.

NO NONSENSE: LOOKING GREAT FOR LESS.
"No nonsense panty hose"
No nonsense fit, comfort and terrific looking legs.
All at a No nonsense price.

"The No Nonsense woman is practical, rational, working and concerned with performance," says marketing vp Carter.

To meet a variety of fashion needs, the L'eggs brand consists of five styles of hosiery: L'eggs regular, a standard no frills pantyhose; Sheer Energy, designed to give all day massage; Undie L'eggs, a combined all-in-one pantyhose; Undie Bands, a knee high stocking to be worn under jeans, and Sheer Elegance, a top-of-the-line pantyhose that "has the look of silk."

According to Rossborough, "The demographic for L'eggs is working women 18-49, but the company is starting to pay closer attention to the 50-64 age group because these people have more discretionary income than ever before."

To reach a broad demographic, L'eggs tv commercials run in primetime and in some dayparts. And, states Rossborough, "Early morning and late night programing are also used, depending on cost efficiency." He adds that a limited amount of radio spots in problem and opportunity markets complement L'eggs tv commercials.

L'eggs also has a sizable print budget. Ads run in national women's service and fashion magazines. Leading National Advertisers figures show that the company is generating as much activity as it can to hold onto the top spot in mid-priced hosiery. The six media total of over $24 million indicates that L'eggs spent more money on advertising in 1980 than any other hoisery brand.

KAYSER-ROTH

To reach two different types of working women, Kayser-Roth Hosiery Corporation, a division of Gulf and Western, developed two distinct brands of mass distributed pantyhose.

No Nonsense. According to No Nonsense marketing vp Richard Carter, "The No Nonsense woman is practical, rational, working and primarily concerned with product performance. In general, she tends to be more secure in who she is. And her income, upwards of $15,000 is usually part of a two paycheck family."

Whatever else can be said about the No Nonsense woman, Carter claims that one thing is for certain: she's definitely not interested in frills. What she wants is what the advertising copy point promises, "Fit, comfort and terrific looking legs, all at a No Nonsense price."

The primary medium used for spreading the No Nonsense message is net tv with a heavy concentration in primetime. Some spot tv is also used, but Carter claims, "We don't use as much spot as in the past because it's more expensive and less efficient." He adds that No Nonsense is also expanding into print in the major women's service magazines.

Easy To Be Me. To reach a more "upbeat, fashion conscious" working woman, Kayser Roth developed a higher priced all-in-one pantyhose called Easy To Be Me. According to a company spokesman, this brand is similar to L'eggs Undie L'eggs but is a bit more expensive than the other L'eggs brands.

Similar to other hosiery advertisers, primetime and print are the two favored media for Easy To Be Me. Some of the women's fashion and service magazines for this brand include *Cosmopolitan, Glamour, Mademoiselle, Vogue, Good Housekeeping, Woman's Day* and *New Woman*. The copy line "It's Easy To See Who's An Easy To Be Me," has been running since 1978.

LINGERIE

Bali

In the mid-seventies, sales figures at the Bali Corporation started a gradual downhill course. Marketing research revealed the reason: the company was unable to get its merchandise — full-figured support bras — properly displayed in department stores.

States Bali marketing vp, Steve Marcus, "This is an age old problem. Department stores display the pretty bras, consisting of about 20% of their supply, and the other 80% are hidden away in drawers." And with a fewer number of department store clerks than in the past, the problem of selling a non visible product was compounded.

To pull the company out of its sales slump, Bali marketers developed a new packaging and advertising strategy to make Bali bras more accessible — and at the same time, make finding the right style for the proper fit easier, without the help of a sales clerk. This all-encompassing strategy is called the Bali Boutique.

If your control top doesn't feel this comfortable..
Get the one and only Leggs?
Nothing beats a great pair of Leggs.

The L'eggs demographic is working women 18-49, but the company is starting to focus on the 50-64 group as well.

"The Bali Boutique program went into the test market phase in January 1980 in Boston and Philadelphia," says Marcus. And it proved so successful that it was rolled into 67% of the country by the end of 1981. In the process of spreading the Boutique message nationwide, Bali's ad budget jumped from $2,000 in 1979 to over $1 million in 1980, according to LNA six-media totals.

Marcus also says that 75% of Bali's ad budget is in spot tv; since Bali is not entirely national, the company prefers to use spot tv to zero in on the areas where sales are concentrated.

Bali's thirty second tv spots run during early morning, late night and primetime programing, all geared toward the working woman.

The commercial features three clothed women, all with different types of figures but the same bust size. The copy point is, "Bali fits your shape. Not just your size." States Marcus, "Today's woman wants support, uplift and fit. The tendency might be to buy more feminine clothing, but not at the expense of quality."

Bali is also running a co-op tv campaign with several department stores in test areas of the Midwest. And the company's print campaign, which is more informational than emotional in appeal, is in such womens' magazines as *Good Housekeeping, Cosmopolitan, Vogue,* and *Working Woman.*

Maidenform

In contrast to Bali, the people at Maidenform feel that what's most important to today's woman are soft, pretty and sexy bras and lingerie. Instead of providing maximum support, the Maidenform look is "plungier, fashionably brash and sexier," all with a lot less bra.

According to Daniel Karsh, executive vp and account supervisor at Creamer, "The Maidenform woman is upscale, contemporary and fashion-oriented. And, most important, she wants intimate apparel that makes her look and feel good."

Maidenform's $1.4 million ad campaign (LNA six-media total, 1980), runs exclusively in print. Karsh explains why: "We feel that the tv regulations against using a live model to display lingerie prevent us from showing the Maidenform look in an emotionally appealing way."

Instead of using tv, the company projects a powerful message through print. The current copy line, "The Maidenform women — you never know where she'll turn up," launched in 1979, is an extension of an earlier campaign that featured women dreaming about "painting the town red," shopping, and shooting pool, all in their Maidenform bras. But "today, instead of dreaming, the Maidenform woman is doing," says Karsh.

The ads appear in the major women's service and fashion magazines and feature bras, teddys, camisoles and a variety of other undergarments. Says Edward Kantrowitz, vp advertising, "Our ads feature updated and fashionable merchandise and clearly show our color and coordination story."

Advertising for Maidenform tends to be seasonal, with heavy ups during Christmas time.

Playtex

Outshining all others, the Playtex Corporation is the nation's leading advertiser of bras and lingerie. The $12.1 million six-media total in 1980 showed a heavy concentration in net tv followed by spot and print.

States Playtex general manager Michael Kaufman, "The main thrust behind all the company's advertising is combining fashion with function." He goes on to say that "all of our brands have a unique selling proposition and their names tell exactly what they do." As an example, Kaufman mentions the "Cross Your Heart," "Support Can Be Beautiful," and "Thank Goodness It Fits" bras.

Kaufman goes on to say that "Over the years, we've found that the traditional Playtex customer has shown tremendous brand loyalty." And to reach the untraditional customer, in 1979 the company introduced Givenchy Underdressings, an upscale elegant line of lingerie developed exclusively for Playtex.

The print campaign is used to supplement tv coverage and extend reach. A sample of the women's magazines Playtex ads appear in include *People*, *Cosmopolitan*, *Mademoiselle*, *Harper's Bazaar*, *Family Circle*, *Ladies' Home Journal*, *McCall's* and *The New York Times*.

Sears

Sears Roebuck is the only department store with a large media outlay for its hosiery and lingerie lines. In fact, according to LNA, Sears spent over $3 million in net tv, net radio and print in 1980.

This represents a significant change over the 1979 total budget of $953,000. The medium most affected by Sears increased spending was net tv, which reflected a total budget of $2.3 million in 1980, compared with $662,400 in 1979.

States Dick McDonald, account supervisor for Sears at Foote, Cone and Belding, Sears advertising plays up product benefit with specific attention to comfort, style and durability.

The three brands of hosiery given the lion's share of advertising play are Sears Endurables, Cling-alons and Hug-alons.

Sears' most heavily advertised bras are Timeless Comfort, and Fashion Cross. Also receiving significant ad support is the recently introduced Cheryl Tiegs line of lingerie for the designer-oriented shopper.

Sears' media schedule for both print and tv is on a quarterly basis.

Madeleine Dreyfack

D.C.

(from 36)

Among the suggestions in the FTC report were warnings such as: "Lung cancer. the major cause is smoking," "Heart attack: a major risk factor is smoking," and "Teens: the earlier you start, the more likely you are to die of smoking."

However, the Congressional versions found in the legislation are a bit milder. One reads, "Warning: the surgeon general has determined that cigarette smoking causes heart disease."

Purcell commented that the cigarette warning issue is symptomatic of "an argument we've been having with FTC for some time. They see advertising as information for consumers; we agree that it sometimes is, but we add that is information from a biased source — the seller of the product."

"We can't believe — as the government seems to — that advertising is the only place consumers receive information about smoking.

"So, in this case, we're going to be stressing that advertising is an advocacy message for a product that is legal to sell. The government doesn't seem to be able to distinguish where advertising fits in with a product that is controversial, but perfectly legal to sell."

FTC's Miller clarifies ad substantiation views

When FTC chairman James Miller questioned the necessity for the commission's ad substantiation program at a press conference last fall, advertisers felt some clarification was in order.

Did chairman Miller see no proper substantiation role for FTC? Was he saying the program would be dropped, or only that too many advertisers were being forced to substantiate claims? Or did he mean that advertisers were being asked for too much detail in substantiation of advertising claims? Or, did he refer to requirements for substantiation prior to running ads in cases where an advertiser's hands had already been slapped for making unsubstantiated claims?

Some clarification was forthcoming from Miller during his appearance before the Association of National Advertisers in November. He left little doubt that he will push for a full reanalysis of FTC's role in ad substantiation, but indicated that the issues are complex, and will take considerably more time to resolve.

"Let me be very clear," he told ANA, "truthful advertising is a highly desirable goal, and as chairman of the commission, I will pursue it with vigor."

But, he said, problems arise when FTC requests substantiation for "implied claims that did not fit the common-sense meaning of the words. Specifically, the tendency on the part of the commission to impute claims that were never intended or were understood by only a small minority of consumers could lead to restrictions on useful information."

Miller also confirmed that he is concerned about the quantity of information required.

"If the reasonable basis requirement is too burdensome, consumers will pay more in increased costs than they receive by way of accurate information. Also, if objective claims require elaborate substantiation, while subjective claims do not, substantiation may reduce the over-all informational value of advertising," Miller added.

Miller concluded by telling the ANA members that he would like to examine "whether there should be lower standards of evidence for reasonable basis. FTC should reevaluate whether the commission should impose any requirement for substantiation prior to the making of claims."

Industry response to Miller's remarks on ad substantiation have been lukewarm, at best. The official ANA response to the chairman's San Francisco remarks reiterated plans to "continue to support those regulations and requirements which have been established by individual companies, by the advertising and broadcasting industries and by the FTC to maintain truthfulness in advertising."

Special Report:

Suburban newspapers

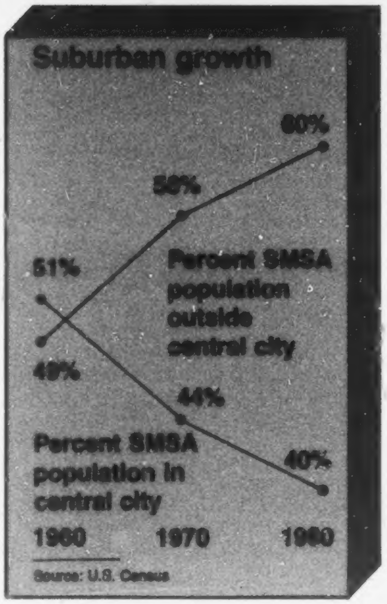
National advertiser interest in suburban newspapers is climbing as the suburban press becomes more sophisticated, credible and easy to buy. These papers have been thriving — sometimes at the expense of major metropolitan dailies — as the massive population and spending power shifts to the cities' outlying areas. Suburban newspaper publishers say their chief strength is in-depth coverage of community news that readers can't find elsewhere. The proliferation of suburban papers makes it impossible to cover all papers and all markets; this report highlights trends of suburban papers in the top 15 markets.

John Floyd tucks the newspaper under his arm as he bolts from the doorway of his colonial brick home to catch the 7:15 a.m. train to the city. During the forty-minute ride, he skims over news about a proposal for peace in the Middle East, a White House plan to balance the budget, an oil company's fight against a takeover and the city's action to improve mass transit.

In the evening, John pauses in the teaming crowds headed for commuter trains to pick up his second newspaper of the day. He finds a seat next to the window and loosens his tie. Unfolding his paper, John reads some familiar columns and a feature on how much his property taxes may climb.

The five block walk from the train station leads John to his driveway, where he glances down to find a third newspaper, a local shopper. He remembers that he should check it to find the best place to buy this winter's firewood.

John's newspaper habits may not be typical, but across the nation suburban newspapers are gaining readership faster than metropolitan dailies. The trend is especially prevalent in large metropolitan areas where masses of readers have exited from decaying inner cities to the suburbs.

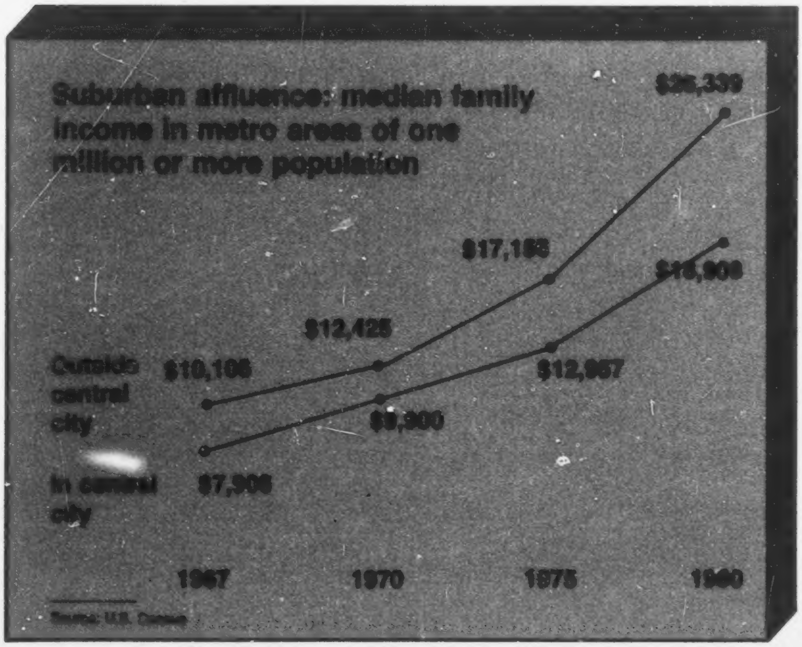


Source: U.S. Census

Accompanying that population shift are movements of greater significance: spending power has branched to the suburbs, and subsequently, so have retailers and shopping centers. In addition, urban flight has created distinct lifestyle, political, educational and cultural bases in the suburbs.

Based on these revenues and growing sources of community news, suburban newspapers are thriving. Suburban newspapers range from weeklies to dailies, free or paid circulation and large or small readership, yet all give the suburban dweller news he can't find elsewhere.

"The white collar exodus from the central city and the subsequent build-up of shopping centers have helped suburban papers gain competitively against metropolitan papers," says Ken Noble, a first vp at Paine Webber, where he studies media trends.



Source: U.S. Census

Few suburban paper advertisers or suburban publishers say that they compete head-on with metropolitan dailies, but metropolitan papers have stepped up suburban coverage. Still, suburban papers' primary strength is their exclusive coverage of community events.

Noble sees the growth of suburban newspapers as one factor in a wider trend occurring in all media.

"Growth of suburban newspapers is one aspect of the increasing segmentation of all media, he says, noting the wide number of special interest magazines and the increasing numbers of book titles as two other examples.

Suburban papers traditionally have been heavy with local advertisers, but national advertiser interest is increasing. And that is not surprising. Several sources show that the suburbs are increasing in population and affluence.

According to the Census Bureau, there has been a 13% increase in suburban population in the last 20 years. The suburbs, defined as that part of the standard metropolitan statistical area outside the central city, are home to 43.4% of the nation, according to 1980 figures.

In addition, the suburban population is decidedly more affluent. In 1980, the median family income in the suburban segments of metropolitan areas with a population of more than 1 million was $26,339. The central city figure is, by comparison, $22,393.

Why nationals use suburban press

The reasons that advertisers use suburban press are varied, according to several marketers contacted by *Decisions:*

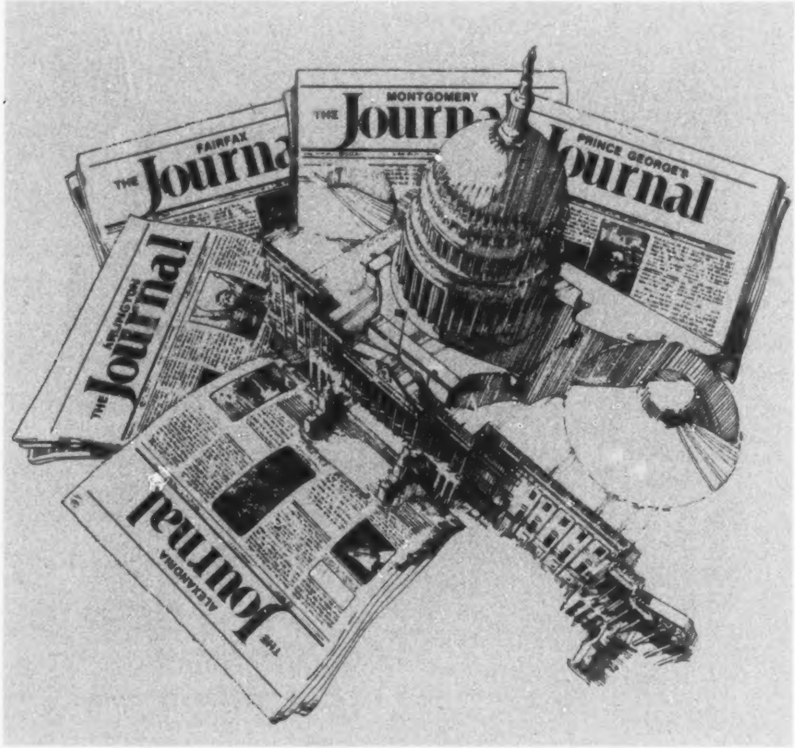
- **They want to reach** affluence.
- **They want to pinpoint** specific sales regions.
- **They want to blanket** entire SMSA's with a combination of metropolitan papers and suburban papers.

Suburban newpapers have been most successful in attracting national food, tobacco and travel-related accounts although they still need to further tap airlines and house and garden advertisers, according to several suburban newspaper publishers.

The amount of national lineage a paper carries is determined by the type of editorial it carries. A suburban newspaper carrying only community news — which may be either free or paid, weekly or daily — often runs fewer national ads than a paid newspaper published in the suburbs which covers the community as well as more wide-ranging news events.

National advertising is about 4% of the total advertising volume of smaller-circulation members of the Suburban Newspapers of America, according to James E. Elsener, its executive director. To qualify as an SNA member, a newspaper can be either free or paid, but must devote at least 25% of its contents to news. The association represents 900 newspapers — 850 weeklies and 50 dailies.

While national advertising is a small percentage of total lineage, Elsener estimates that it has grown 242% in five years.



Courtesy Journal Newspapers

The Journal Newspapers, which surround the capitol city, are publishing daily since the *Washington Star* folded.

The percentage of national advertising is almost four times as high for suburban newspapers more closely resembling metropolitan newspapers in their news treatment, according to several publishers of these papers. These papers usually are published in the larger metropolitan areas where suburban sprawl give them a wide distribution area and offers enough news to justify daily coverage.

Also beginning to pick up national advertising are shoppers, which carry only advertising.

The National Association of Advertising Publishers, which represents shoppers, has not been pushing for national advertising, according to James Pearson, its executive vp. But recently the NAAP, in conjunction with Goodway Marketing in Philadelphia, placed 228,000 McDonalds inserts with 23 free papers in the Midwest. NAAP also has handled other large national advertisers including Masonite, Sears and Penney.

The NAAP represents both shoppers and free circulation community newspapers, and counts 700 papers as members for a total circulation of 18 million.

USSPI a major factor

A key reason national advertiser interest in suburban papers is growing is that the buy has become easier to handle. Credit goes largely to US Suburban Press, which has united 1,100 newspapers as a package to be sold either on multi-market or national levels. USSPI now represents both dailies and weeklies for a combined circulation of over 13 million in 45 markets, an increase from 30 markets with a circulation of over 8 million when the organization was founded in 1971.

That year, USSPI sold 763,294 lines of national advertisng into the markets it represented, according to James Thavis, vp-sales and marketing at USSPI. In 1981, it sold 48 million lines of advertisng in its 45 markets.

In addition, suburban newspapers have overcome two of the largest stumbling blocks in attracting national advertisers: that free papers are not being delivered and that they are not being read when they do arrive.

Since 1977, USSPI has required circulation audits from its members. Since the Audit Bureau of Circulation does not report on free papers, the Verified Audit of Circulation and the Certified Audit of Circulation, two independent companies specializing in auditing free circulation papers, have been auditing membership. NAAP says that by the end of 1980, some 47% of its membership was audited either by VAC or CAC.

The second concern, that these newspapers are not being read, has been reduced by USSPI's recent sponsorship of a national readership survey, conducted by Simmons Market Research Bureau (SMRB).

Simmons surveyed a sample of 2,129 adults aged 18 or older in 15 markets, representative of all USSPI major metropolitan markets. From December 1980 to January 1981, SMRB surveyed the newspaper readership, researching reading habits in the past 24 hours for dailies and the last seven days for weeklies.

USSPI finds that its papers have 2.48 readers per copy; that 66% read the paper the first day, 94% within two days; and 57.9% say these papers do a better job than their metropolitan dailies in covering community news and events.

The study also helped confirm some positive demographic characteristics, finding that USSPI readers are more highly educated, have higher personal and household income and higher product usage levels than the national average.

Of the suburban newspaper audience, according to the study, 35.6% have attended or graduated college. Nearly one-half of the households boast incomes of $25,000 per year and more than a quarter list annual household incomes of $35,000 or more.

Compared with national averages, a higher percentage of USSPI readers own two or more cars. Other consumer products such as microwave ovens, lawn fertilizers, snow blowers and movie cameras are owned by a larger percentage of the suburban newspaper audience than the national average.

An additional step the suburban newspapers have taken to elicit more national advertising is the implementation of standard ad units for its 1,100 newspapers. The system simplifies the national buy by standardizing sizes of ads to 25 individual ad sizes for newspapers of any format or page size and 16 sizes for tabloids.

While the increase in national advertising is one sign of the suburban papers' greater strength, suburban papers increasingly are gaining sophistication.

Trends: greater frequency, broader coverage

Journal Newspapers, which owns a chain of five suburban newspapers in Washington, D.C., recently went from weekly to daily frequency, spurred by the folding of the Washington *Star*. The Journal Newspapers have picked up 10,000 readers since the *Star's* demise, according to Geoffrey Edwards, publisher of Journal Newspapers. His papers circle the capitol, including the Alexandria, Arlington and Fairfax Journals and the Montgomery and Prince George's Journals in Maryland.

Another chain of suburban newspapers, the Fournier Newspapers in Seattle, has gradually increased its frequency, moving to four times a week in 1978 and to daily publication the following year. The papers, which include the *Daily Record Chronicle* in Renton, the *Daily News-Journal* in Kent and the *Daily Globe-News* in Auburn, reach 100,000 readers in the Seattle market, with almost half of its circulation paid although it distributes a controlled circulation edition on Wednesdays and Saturdays.

There is also a trend among suburban newspapers to expand editorial coverage beyond their communities. The *Daily Herald*, published by Paddock Publications in Chicago, is trying to become a full-service newspaper for its nearly 60,000 paid readers in the area. Paddock uses both AP and UPI, and has added coverage of television, travel and state politics.

Like the *Daily Herald*, the *Contra Costa Times*, a 112,000 controlled-circulation daily to the east of San Francisco, also is trying to establish itself as the only newspaper its readers will ever need. The *Times* owned by Lesher Newspapers and published in Walnut Creek, California, is known throughout the trade for the quality of its special sections. The sections are keyed to areas attractive to advertisers, such as fashion, food, home and garden, automotive and real estate. The paper also is known for its general editorial strength; it has won several state awards competing against the state's larger metropolitan papers.

Not all changes are seen as positive ones. A drive to convert free to paid circulation can demonstrate to a national advertiser the extent of the reader's interest in the paper, but can also mean that the paper may lose circulation in the switch, and national advertiser interest may wane because of lower penetration.

Newspaper chains moving into suburbs

The overall strength of suburban newspapers has caught the attention of media conglomerates who are buying up these papers.

Hearst Newspapers recently purchased 28 free community weeklies in the Los Angeles market to sell as a package in conjunction with its *Herald Examiner*. The buy increases the *Herald Examiner's* reach by 400,000, according to John Lang, president of Hearst Newspaper Sales.

"This is an approach that nobody else has tried. We have high hopes for it as a marketing vehicle. There's a very great interest in it from national advertisers because it's a new concept. But we have not yet pinned it down as a sales vehicle," Lang says.

"There are so many entities in the Los Angeles market. This kind of arrangement could help national advertisers crystallize their buy with a one-order, one-bill that helps them get their reach up," he noted.

Long distance owners are many and their ranks are growing rapidly. San Antonio-based Harte-Hanks has added 35 non-daily papers to its roster since 1972, including free, paid and voluntary paid weekly newspapers and free weekly shoppers. Most of these are in the suburban areas of San Diego, San Francisco, and Tucson.

Harte-Hanks president Robert Marbut notes that his company is interested in suburban markets where there are competitive properties. Of particular interest are shoppers, which he said he believes will be at "the cutting edge of the future of print communication."

Several USSPI members have been bought by large media companies. Of its 1,100 newspapers, 24 have been bought by media conglomerates within the last year. Of concern to independent publishers, which many USSPI papers are owned by, is that national media giants will hurt their reputation by failing to place enough value on suburban news.

Advertiser point of view

Numerous national advertisers explained in interviews how they use suburban newspapers, shoppers and free community newspapers.

One primary reason shoppers are picking up national advertisers is that they reach virtually every household in the area. These shoppers act as a delivery tool.

"We've used shoppers in some markets and we are surprised by how effective they are . . . Sears would like to have a good 80% market penetration. Large metros are lucky if they get 50% penetration," says Robert G. Kissel, national retail advertising manager at Sears, Roebuck & Co.

Jim Boynton, manager of media planning at J.C. Penney, echoes Kissel: "For saturation coverage, many

Penney stores use Pennysavers and other free-circulation newspapers where daily and weekly newspapers' circulation is not adequate.

In addition, national advertisers say they use shoppers because their readers are more likely to be in a shopping mood.

A guiding rule for many advertisers is to add suburban papers only when the metropolitan paper's penetration dips too low. For example, one advertising category illustrating this rule is tobacco. It is one of the heaviest supporters of suburban newspapers; among their primary goals is reach.

Brown & Williamson began advertising in the suburban newspapers in 1978 and is now an "extremely heavy supporter of the medium for all its brands," according to director of marketing services, Tom Neville.

But Neville points out that these papers are used in conjunction with metro dailies — not in place of them.

Mobil Oil and Kimberly Clark use suburban papers because their products sell better in the suburbs.

The incidence of car ownership is a factor in deciding strategy for two of Mobil's products, motor oil and gasoline. The oil company has been one of the first and largest supporters of suburban newspapers because car ownership is higher in the suburbs, particularly suburbs of large metropolitan areas, according to Joe Landy, Mobil's advertising manager.

The number of households and the number of bathrooms per household helps to guide media buying for Kimberly Clark, according to the company's media analyst David A. Slavick. That's because some of KC's products — decorative bathroom tissues, for example, sell better in the suburbs where the large families and abundant bathrooms are found.

Many suburban publishers agreed that they still have to demonstrate their worth to advertiser categories such as house and garden supplies that should be advertising in the suburban press, but don't, they complain.

Airline ad volume should also be greater, they say. What is hurting publishers in this category is a misconception that suburban newspapers are read only by women. Because male business travelers are often the airline media target, airlines have not advertised heavily in suburban papers.

However, Eastern Airlines is a strong supporter of suburban newspapers, running ads in these papers on the recommendations of local sales managers, according to Bob Wolf, manager of advertising services.

Suburban Trib

Lake water plan stirs opposition

Buttoning up

Elk Grove coach makes it clear — tried 'n true strategy is the best

Exercising the demon of the computer age is a time-consuming task

1st step granted senior center

Like many other metro dailies, the Chicago *Tribune* is issuing a special edition that reaches only the paper's suburban readers.

"The suburban papers answer a different need than the inner city paper," Wolf says. "They cover what's around the corner and down the street."

One of the difficulties in analyzing suburban newspapers is that there are so many definitions and categories among the papers.

Aside from traditional suburban press, there are a number of unique, sometimes hybrid markets.

In the New York metropolitan area, a suburban newspaper generally means a paid daily newspaper published in the suburbs but not limited in its editorial coverage to suburban news.

Examples are the Bergen *Record*, *Newsday*, Newark *Star Ledger* and the *Westchester-Rockland* chain.

These papers compete with the inner city dailies for national advertising, beating them in a few categories, such as national food advertising.

Corporate flight to the suburbs

One demographic trend helping these papers gain strength is that many suburbs are attracting corporate headquarters. More suburbanites now also work in the suburbs, making it more likely that they may read only the suburban newspaper.

Gannett's Westchester Rockland chain north of New York City profits from the trend. Westchester County is the second largest home for corporate headquarters outside of New York City. Gannett's research shows that 60% of professionals and executives who live in the county also work there.

According to Elliott Eakin, promotion and research director, two-thirds of the Westchester-Rockland group of daily suburban readers do not read a New York City daily newspaper.

The New York suburban papers position themselves as necessary supplements to the city newspapers, emphasizing the affluence of their market, their exclusive adult readers and their coverage of the area.

In Chicago, most suburban newspapers are weeklies, although there is a mixture of semi-weeklies and dailies. Controlled and paid circulation both are common, but the majority of readership is paid.

Chief among the many groups of newspapers reaching the Chicago market in circulation are the Time Inc. owned Pioneer Press, reaching 142,037 in circulation, most of it paid; the Paddock Pulications' *Daily Herald* with nearly 60,000 paid subscribers and Lerner Newspapers' total of 368,223 readers, 243,320 non-paid and 124,903 paid.

Battle for the St. Louis suburbs

The St. Louis market is unique. There, two suburban newspaper publishers have joined forces for a total free circulation of 900,000, a higher circulation than the two major metropolitan dailies — the *Post-Dispatch* and the *Globe-Democrat* — combined. These two combined have a 500,000 circulation.

Suburban Newspapers of St. Louis represents the 26 controlled circulation weeklies that have been combined. These suburban papers have attracted national advertising because of their broad market penetration.

According to a Simmons study

comparing penetration of competing papers in the area, the Suburban Newspapers have a 65.7% penetration compared to the *Post's* 35.7% and the *Globe-Democrat's* 34.1%.

National advertising accounts for about 10% of the total amount of advertising lineage in the suburban newspapers, according to Charles F. Shiels III, advertising director. He claims that this group of papers carries more automotive, food and real estate ads mid-week than do its big city competitors.

Even *Post-Dispatch* and *Globe-Democrat* managers admit that this group outsells them in certain categories of advertising.

"It's a competitive situation. They have advertising that we would like to be getting," says assistant marketing director of the metro dailies, Ian Cohen. The suburban's weekly distribution is greater.

"They are more flexible to buy because an advertiser can zone his ads to buy around their own stores," he adds.

"But when it comes to national advertisers, they prefer us two to one because our circulation is paid," Cohen noted.

Stepped-up competition from downtown

While suburban newspapers are gaining sophistication, credibility and national advertising as an offshoot of those gains, the metropolitan dailies' own recognition of the suburban readers and advertisers cannot be ignored.

The New York *Times*, which began publishing special sections for suburban readers in 1971 in Westchester County, New Jersey, Long Island and Connecticut in its Sunday editions, also sells that suburban readership on a zoned basis.

Lineage in the suburban editions has climbed from 2 million lines in 1971 to 12 million lines ten years later, although those figures reflect national, regional and local advertising, according to Walter Campbell, suburban advertising director.

In Chicago, both the *Sun-Times* and the *Tribune*, devote special attention to the suburbs. The *Sun-Times* distributes weekly a separate publication, the *Suburban Sun-Times*, issued with the daily in the suburbs.

> **"The suburban papers have ads that we would like to be getting."**

Its counterpart, the *Suburban Trib*, is distributed four times a week in the city's northwest suburbs, and three times weekly in other suburban areas. The *Tribune* also is experimenting with a suburban Sunday edition in a market distant from the city, the Fox Valley.

Even though the *Suburban Trib* is viewed as one of the most aggressive metropolitan papers in its coverage of suburbs, the *Tribune* has recently increased that coverage further.

Local, state and suburban news formerly competed with national and international news for space in the paper. But under the direction of a new editor and executive vp, Jim Squires, the paper is placing a minimum on news about the surrounding areas.

For city dwellers, the *Tribune* is producing a section heavy on city news but including expanded coverage of the suburbs and the state. Suburban newspaper readers get another section, this one tailoring the local news to the specific community.

Starting next fall, both the daily *Tribune* and the *Suburban Tribune* will be printed at the company's new printing facility. This could mean that the *Suburban Trib*, which has been treated as an autonomous operation with separate staff for writing and selling advertising space, could be melded with the parent. Reportedly, the *Tribune* could then offer national and regional advertisers more zoned editions and greater possibilities for target marketing.

Although Squires says the *Tribune Cos.'* commitment to quality suburban coverage is strong, he notes that one of the company's main goals — increased zoned coverage of local news — is only being realized now.

"This tremendous flexibility is one of our main goals. We want to be able to target market more demographically and geographically," he says.

More metropolitan newspapers may share these goals as more suburban newspapers tread on ground that was once exclusive metropolitan territory.

Rebecca Fannin

Double or nothing?

Saving money these days is difficult for most everyone. But there is a plan guaranteed to build your savings. Even for those who can't seem to ever save a cent. Buying U.S. Savings Bonds through the Payroll Savings Plan.

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UNITED STATES SAVINGS BONDS

When you put part of your savings into U.S. Savings Bonds you're helping to build a brighter future for your country and for yourself.

Ad Council A public service of this publication and The Advertising Council.

Newspaper circulation in top 15 mkts.

Suburbia — It's that land of "silk and money" that lies *somewhere* between the incorporated city limits and the start of the rural ring.

It is variously defined: Who is to say where "city" ends and "suburbia" begins? Or where suburbia ends and "exurbia" (formerly rural) begins? As "urbia" extends, so does "suburbia." It continues to make inroads into "exurbia." Available space, and an inevitably lower tax burden, places people into a geographical location that defies official geo-limitations and moves them into areas once considered rural.

Some newspapers choose to report on a "Primary Market Area" plus "Other" (which circumvents reporting the "City Zone"). Others choose to report "City Zone" plus "Retail Trading Zone" plus "Other." This allowance for individual options makes it difficult to draw absolute comparisons between newspapers serving a market.

In the tables that follow we have used a middle-of-the-road definition of "suburban" circulation of newspapers serving the top 15 metropolitan markets. Using the audit services' data (where available) we define the total circulation of a newspaper published outside the core city as "suburban." This inflates the picture by those few subscribers who left "home" and ordered a sub to be sent to their "retirement or other new home."

For the "core city" publishers — the "center city" papers, the "major metropolitan area" publishers — we opted to eliminate the "other" circulation as well as what they defined as "City Zone" from the total and label what lies in between as "Suburban." Sometimes it was necessary to use "Corporate City" instead of "City Zone." For some papers we secured a reasonable figure from the papers themselves.

Our purpose is to offer a directory and guide to circulation of newspapers that are distributed in the area between the "city" and "rural areas."

New York (SCSA)

Center city newspapers

	Suburban circ.
(New York) Daily News (M) Zoned editions include: Westchester, Fairfield, Nassau-Suffolk, Staten Island, Full Jersey, North Jersey (Sun.), Central Jersey (Sun.).	417,568
New York Times (M) Zoned editions include: Westchester/Conn. (Wed.), Long Island (Nassau-Suffolk) (Wed.), N.J., Richmond, Rockland, Orange Counties.	347,576
New York Post (AD)	93,069

Suburban groups

	Total circ.
Drukker Newspapers (E) (Includes: Dover Advance, Passaic Herald-News)	82,456
Fairfield County Dailies (M/E) Includes: Norwalk Hour (E), Stamford Advocate (E), Bridgeport Post/Telegram (M/E), Greenwich Time (E).	157,594
Jersey 2 (E) Includes: New Brunswick Home News, Perth Amboy News Tribune, Bridgewater Courier-News.	170,192
Northern New Jersey Newspaper Network (M/E) Includes: Elizabeth Journal (E), Morristown Record (E), Newton Herald (E), Paterson News (M), Union City Dispatch (M).	204,019
UNYT (M/E) Includes: Newark Star-Ledger (M), Jersey Journal (E), Staten Island Advance (E).	543,300
Westchester-Rockland Newspapers (M/E) Includes 11 daily newspapers	222,519
USSPI — Suburban New York (dly. & wkly.) Includes Ocean County Times Observer (M) and 122 weeklies.	1,436,706
USSPI — Nassau-Suffolk (wkly.) Includes: 17 weeklies also included in Suburban New York group.	192,418
USSPI — Suburban New Jersey North (dly. & wkly.) Includes: Ocean City Times Observer and 98 weeklies.	1,147,133

Other suburban newspapers (non-group)

	Total circ.
Asbury Park Press (E)	109,313
(Bergen County) The Record (E)	149,593
Long Island Newsday (E)	503,336
Mount Kisco Patent Trader (AD)	11,845
Red Bank Register (E)	30,706

Los Angeles (SCSA)

Center city newspapers

	Suburban circ.
Los Angeles Herald Examiner (E) Zoned editions include: San Fernando, San Gabriel, South Bay, Westside and Vegas (Vegas editorial to upper-income areas).	106,943
Los Angeles Journal (M)	13,787
Los Angeles Times (M) Zoned editions include: Glendale-Burbank (Sun.), South Bay (Th.), San Fernando Valley (Th.), San Gabriel Valley (Th.), Orange Co. N. (Th.), Orange Co. S. (Th.), Southeast (Th.), Westside (Th.), San Diego County	755,576

Suburban groups

	Total circ.
CLAN Group (E) Includes: Burbank Review, Glendale News Press, Torrance Breeze, San Pedro News-Pilot.	122,953
Orange County Metro Group Includes: Anaheim Bulletin (AD), La Habra-Breq Star-Progress (E), Santa Ana Register (AD).	253,211
PSI Group (E) Includes: Palm Springs Desert News, Indio News.	33,448

Southeast Los Angeles County Group (E) Includes: Southeast News & Downey Champion, Huntington Park Signal, Whittier News.	33,803
Hi-Desert Group (E) Includes: Barstow Desert Dispatch, Lancaster Antelope Valley Ledger-Gazette, Victorville Victor Valley Press.	30,381
USSPI — Suburban Anaheim-Santa Ana (dly. & wkly.) Includes: Fullerton News Tribune, Sun Post and 19 weeklies.	425,750
USSPI — Suburban Los Angeles (dly. & wkly.) Includes: Santa Monica Outlook, San Gabriel Valley Tribune and 52 weeklies.	1,032,473

Other suburban newspapers (non-group)

	Total circ.
Banning-Beaumont Record Gazette (E)	3,605
Camarillo News (M)	9,707
Corona Independent (E)	6,576
(Costa Mesa) Orange Coast Pilot (E)	41,409
Fontana Herald-News (E)	4,054
Long Beach Press-Telegram (M/E)	137,133
Los Angeles Daily News (M)	198,176
Ontario Report (E)	83,403
Oxnard Press-Courier	19,536
Pasadena Star News (AD)	48,952
Pomona Progress Bulletin (M/E)	41,966
Redlands Facts (E)	8,432
Riverside Press/Enterprise (M/E)	105,562
San Bernardino Sun (M)	79,420
Santa Paula Chronicle (E)	3,081
Simi Valley Enterprise (E)	13,106
Thousand Oaks News-Chronicle (E)	20,232
Ventura County Star-Free Press (E)	40,126

Chicago (SCSA)

Center city newspapers

	Suburban circ.
Chicago Calumet (E)	8,648
Chicago Sun-Times (M) Suburban Sun-Times (Fri.), North Zone, West Zone, Southwest Zone, Southeast Zone.	266,770
Chicago Tribune (AD) Suburban Tribune: Zones include — So. DuPage, No. DuPage, West Cook, N.W. Cook, Far N.W. Cook, So. Cook, S.W. Cook	420,325
(Chicago) Defender	898

Suburban groups

	Total circ.
Greater Chicago Newspapers (E) Includes: Aurora Beacon-News, Elgin Courier-News, Joliet Herald News, Wheaton Journal.	133,877
The Daily Herald (Paddock) (M/wkly.) Includes: Arlington Heights Herald, Buffalo Grove Herald, Des Plaines Herald, Elk Grove Herald, Mt. Prospect Herald, Palatine Herald, Rolling Meadows Herald, Wheeling Herald, Streamwood/Hanover Park/Bartlett Herald and seven weeklies	66,576
Southtown Economist Newspapers Includes 22 daily, semi-weekly and weekly newspapers	246,000
USSPI — Suburban Chicago (dly. & wkly.) Includes Paddock group of nine dailies and seven weeklies, the Southtown Economist group and 78 other weeklies.	748,964

Other suburban newspapers (non-group) (Illinois section)

	Total circ.
Crystal Lake Herald (E)	8,462
Waukegan News-Sun (E)	43,213
Woodstock Sentinel (E)	7,918
(Indiana section)	
Chestertown Tribune (E)	4,309
Gary Post-Tribune/Hammond Times (E)	148,017
Valpariso Vidette-Messenger (E)	15,320

Philadelphia (SCSA)

Center city newspapers

	Suburban circ.
Philadelphia Bulletin (E) Zoned editions include: Suburban West News, Suburban North-Northeast News, and New Jersey section.	191,072
Philadelphia Inquirer (M) Zoned editions include: New Jersey, Northwest, Northeast.	218,573
Philadelphia News (E)	44,706
Inquirer-News (M/E)	263,279
Philadelphia Journal	46,973

Suburban groups

	Total circ.
Bucks-Burlington Group (E) Includes: Doylestown Intelligencer, Levittown Bucks County Courier Times, Willingsboro (N.J.) Burlington County Times.	134,694
Suburban Philadelphia Area Newspapers (SPAN) (E) Includes: Chester Delaware County Times, Coatesville Record, Doylestown Intelligencer, Lansdale North Penn Reporter, Levittown Bucks County Courier Times, Norristown Times Herald, Phoenixville Phoenix, Pottstown Mercury, Quakertown Free Press, West Chester Local News, Willingsboro (N.J.) Burlington County Times, Woodbury (N.J.) Gloucester Times.	338,457
Southern New Jersey Newspaper Network Philadelphia SCSA units include: Salem Today's Sunbeam, Trenton Trentonian, Woodbury Gloucester County Times.	
USSPI — Suburban Philadelphia (dly. & wkly.) Includes: Hatsboro Today's Spirit, King of Prussia Today's Post, Salem Today's Sunbeam, Quakertown Free Press, Gloucester County Times and 44 weeklies.	523,232

Other suburban newspapers (non-group)

	Total circ.
Camden Courier Post (E)	119,879
Trenton Times (E)	65,266
Wilmington (Del.) News/Journal (M/E)	128,262

San Francisco (SCSA)

Center city newspapers

	Suburban circ.
San Francisco Chronicle (M)	283,717
San Francisco Examiner (E)	57,180
Chronicle-Examiner (M/E)	340,897

Suburban groups

	Total circ.
Alameda County Bay Sparks Group (M/E & wkly.) Includes: Fremont Argus (M), Hayward Review (E), Livermore Tri-Valley Herald (M) and one tri-weekly.	112,263
Contra Costa County Group (M/E) Includes: Antioch Ledger (E), Pittsburg Post Dispatch (E), Pleasanton Times (M), Walnut Creek Contra Costa Times (M)	166,294
Golden Gate Suburban Group Includes: San Mateo Times & News Leader (E), Marin County Independent-Journal (E), Hayward Review (E), Fremont-Newark Argus (M), Livermore Tri-Valley Herald (M)	174,334
USSPI — Suburban San Francisco (dly. & wkly.) Includes: Antioch Ledger, Walnut Creek Contra Costa Times, Pittsburg Post Dispatch, Pleasanton Times, Hayward Review, Livermore Tri-Valley Herald, Vallejo Times Herald, Richmond Independent & Gazette, Alameda Times Star, Fremont-Newark Argus, Martinez News Gazette and 17 weeklies.	800,308

Other suburban newspapers (non-group)

	Total circ.
Napa Register (E)	20,592

(Palo Alto) The Peninsula Times Tribune (E)	62,574
San Jose Mercury News (M/E)	220,522
Oakland Tribune (E)	134,489
Eastbay Today (M)	71,432
Tribune-Eastbay Today (M/E)	205,926

Detroit (SCSA)

Center city newspapers

	Suburban circ.
Detroit Free Press (M) Zoned editions include: East, Northwest, Southwest.	317,557
Detroit News (AD) Zoned editions include: Metro North, Metro West, Metro East, Metro Detroit.	364,749

Suburban groups

	Total circ.
Detroit Area Newspaper Network (E) Includes: Mt. Clemens Macomb Daily, Royal Oak Tribune.	98,882
USSPI — Suburban Detroit (dly./wkly.) Includes: Mt. Clemens Macomb Daily, Royal Oak Tribune and 48 weeklies.	628,215

Other suburban newspapers

	Total circ.
Ann Arbor News (E) Included in Booth Ann Arbor-Jackson group.	42,632
Pontiac Oakland Press (E)	74,575
Port Huron Times-Herald (E) Included in Gannett Michigan Group.	30,097

Boston (SCSA)

Center city newspapers

	Suburban circ.
The Boston Globe (AD)	136,788
Boston Herald-Examiner (M)	53,313

Suburban groups

	Total circ.
Boston Area Newspaper Dailies (BAND) (E) Includes: Beverly Times, Brockton Enterprise & Times, Concord (N.H.) Monitor, Dedham Transcript, Dover (N.H.) Foster's Democrat, Fitchburg Sentinel-Enterprise, Framingham South Middlesex News, Gloucester Times, Haverhill Gazette, Lawrence Eagle-Tribune, Lowell Sun, Lynn Item, Malden News, Medford Mercury, Melrose News, Milford News, Nashua (N.H.) Telegraph, Newburyport News, Peabody Times, Portsmouth (N.H.) Herald, Quincy Patriot Ledger, Salem News, Waltham News Tribune.	482,483
Essex County Newspapers (E) Includes: Beverly Times, Gloucester Times, Newburyport News, Peabody Times.	37,285
3-M Newspaper Network Includes: Malden Times, Medford Mercury, Melrose News.	16,409
USSPI — Suburban Boston (dly. & wkly.) Includes: Dedham Transcript, Waltham News Tribune, Woburn Times, Lynn Item, Malden News, Medford Mercury, Melrose News, Gloucester Times, Beverly Times, Newburyport News, Salem News and 48 weeklies.	482,483

Other suburban newspapers (non-group)

	Total circ.
Marlboro Enterprise Sun (E)	7,782
Wakefield Item (E)	6,605

Houston (SCSA)

Center city newspapers

	Suburban circ.
Houston Chronicle (AD) Zoned editions include: North, South, Southwest, State.	61,291
Houston Post (M) Zoned editions include: South, Southwest, North.	53,676

Suburban group

	Total circ.
USSPI — Suburban Houston (dly. & wkly.) Includes: Pasadena Citizen, Montgomery County Courier, Banner Press, Brazosport Facts, Texas City Sun, Alvin Sun, Rosenberg Herald Coaster Lake Citizen, Angleton Times, Baytown Sun, Bay City Tribune and 24 weeklies.	547,596

Other suburban newspaper (non-group)

	Total circ.
Galveston News (M)	28,121

Washington, D.C. (SMSA)

Center city newspaper

	Suburban circ.
Washington Post Zoned editions include: Maryland Weekly, Virginia Weekly and District Weekly.	221,387

Suburban group

	Total circ.
USSPI — Suburban Washington (dly. & wkly.) Includes: Woodbridge Potomac News and 13 weeklies.	199,673

Other suburban newspapers (non-group) (All in Virginia)

	Total circ.
Alexandria Gazette (E)	11,825
Arlington Northern Virginia Sun (M)	17,957
Manassas Journal-Messenger (E)	10,801

Dallas-Fort Worth (SMSA)

Center city newspapers

	Suburban circ.
Dallas Morning News (M)	72,950
Dallas Times Herald (AD)	42,101
Fort Worth Star-Telegram (M/E) Zoned editions include: Northeast, Southeast	34,383

Suburban groups

	Total circ.
News-Texan Dallas/Fort Worth Dailies Group (dly. & wkly.) Includes: Arlington News, Garland News, Grand Prairie News, Hurst Mid-Cities News, Irving News, Richardson News and one weekly.	65,656
USSPI — Suburban Dallas (dly. & wkly.) Includes: Arlington News, Garland News, Grand Prairie News, Hurst Mid-Cities News, Irving News, Richardson News, Mesquite News, Terrell Tribune, McKinney Courier Gazette, Lewisville Leader, Colony Leader, Plano Star Courier, Waxahachie Light and 21 weeklies	235,923

Other suburban newspapers (non-group)

	Total circ.
Cleburne Times-Review (E)	8,516
Denton Record-Chronicle (E)	14,790
Weatherford Democrat (E)	5,547

Cleveland (SCSA)

Center city newspapers

	Suburban circ.
Cleveland Plain Dealer (M) Zoned editions include: East Zone, West Zone.	57,499
Cleveland Press (E) Zoned editions include: East Zone, West Zone.	39,121

Suburban groups

	Total circ.
Lorain-Elyria Metro Unit (E) Includes: Elyria Chronicle-Telegram, Lorain Journal (also in Horvitz group.)	79,911
USSPI — Suburban Cleveland Includes 17 weeklies.	279,003

Other suburban newspapers (non-group)

	Total circ.
Akron Beacon Journal (E)	162,607
Chardon Geauga Times Leader (E)	7,149
Kent-Ravenna Record-Courier (E)	26,759
Lake County News-Herald (E) (Included in Horvitz group)	30,969
Medina County Gazette (M)	16,520
Painesville Telegraph (AD)	17,320

Miami (SCSA)

Center city newspapers

	Suburban circ.
Miami Herald (M)	110,638
Miami News (E)	5,395
Herald-News (M/E)	116,033
Miami Review (AD) Zoned editions include: Beaches, North, North & Beaches, East, West.	462

Suburban group

	Total circ.
USSPI — Suburban Miami (dly. & wkly.) Includes: Boca Raton News (outside SCSA) and 16 weeklies.	400 344

Other suburban newspapers (non-group)

	Total circ.
Fort Lauderdale Sun-Sentinel (M)	81,098
Fort Lauderdale News (E)	99,234
Hollywood Sun-Tattler (E)	37,155
Homestead South Dade News Leader (E)	13,925
Palm Beach News (M)	4,570
West Palm Beach Post (M)	95,474
West Palm Beach Times (E)	29,296

St. Louis (SMSA)

Center city newspapers

	Suburban circ.
St. Louis Countain (M)	347
St. Louis Post-Dispatch (E)	226,349
St. Louis Globe-Democrat (M)	217,465
Post Dispatch-Globe Democrat (M/E) Zoned editions include: North, South, West.	444,814
St. Louis Record (M)	76

Suburban group

	Total circ.
USSPI — Suburban St. Louis (wkly.) Includes 31 weeklies.	806,770

Other suburban newspapers (non-group)

	Total circ.
Alton (Ill.) Telegraph (M)	37,919
Belleville (Ill.) News-Democrat (E)	41,057
Fetus Democrat-Pilot (M)	—

Pittsburgh (SMSA)

Central city newspapers

	Suburban circ.
Pittsburgh Press (E) Zoned editions include: East Zone (Th.), North Zone (W), South Zone (W).	50,579
Pittsburgh Post-Gazette (M) Zoned editions include: East Zone (W) North Zone (W), South Zone (W)	58,167
Press/Post-Gazette (M/E)	103,746

Suburban groups

	Total circ.
Pittsburgh Area Major Market (PAMM) (M/E) Includes: Beaver County Times, Greensburg Tribune-Review, McKeesport News and (outside SMSA) Butler Eagle, New Castle News, Uniontown Herald-Standard, Washington Observer-Reporter.	251,845
USSPI — Suburban Pittsburgh (dly. & wkly.) Includes: Tarentum Valley News Dispatch, Ellwood City Ledger and 15 weeklies.	173,061
Pittsburgh ADI Newspaper Network (M/E) Includes: Beaver County Times, Ellwood City Ledger, Greensburg Tribune-Review, Irwin Standard-Observer, Latrobe Bulletin, McKeesport News and (outside the SMSA) Butler Eagle, Indiana Gazzette, Morgantown (W.V.) Dominion Post, New Castle News, Uniontown Herald-Standard, Washington Observer-Reporter.	330,594

Other suburban newspapers (non-group)

	Total circ.
Jeannette News-Dispatch (E)	4,646
Monessen Valley Democrat (E)	14,806
Monongahela Herald (E)	5,871
Vandergrift News-Citizen (E)	2,976

Baltimore (SMSA)

Center city newspapers

	Suburban circ.
(Baltimore) The News American (E)	72,101
Baltimore Record (M)	497
Baltimore Sun (M) Zoned editions include: Arundel Sun, Howard Sun.	77,872

Suburban group

	Total circ.
USSPI — Suburban Baltimore Includes: Annapolis Capital and 10 weeklies.	241,993

Other suburban newspapers

	Total circ.
Westminster Carroll County Times (M) (Included in Mason/Dixon Network)	19,750

QUOTE/UNQUOTE

(from 38)

The wages of neglect

Agencies which allow their top management to spend more time on internal affairs than on client relationships run the risk of loosing accounts, Graham H. Phillips, executive vp and general manager, Ogilvy & Mather, told the annual meeting of the ANA in San Francisco.

"Despite what you read about why a client fires an agency, the real reason in neglect," he said. "Once a client begins to believe that the agency doesn't really care about his business, the relationship is all but over.

"Clients expect and deserve tha attention to top management on a regular basis despite the fact that managing an agency itself has become a much more complex job. The top 10 agencies in the U.S. have grown into huge organizations with international operations, subsidiary companies and specialist divisions employing thousands of people. Top management's time is easily expended on internal affairs at the expense of important client business.

"Unfortunately, clients probably need more senior management involvement rather than less at this time because their business is generally more difficult to manage, too, and more hands are required at the pumps. Compounding the issue is that agency personnel at the middle management level are now generally less experienced than their client opposite numbers which creates a greater need for more senior people to be actively involved."

Phillips does have some recommendations on how to solve or avoid the problem: "The first step is to have management depth in an agency, an organization where clients do not have to be dependent on just one or two people at the top for expert advice. Instead, you must have a sufficient number of talented people who hold senior positions at the agency who have the time and experience to deal with clients.

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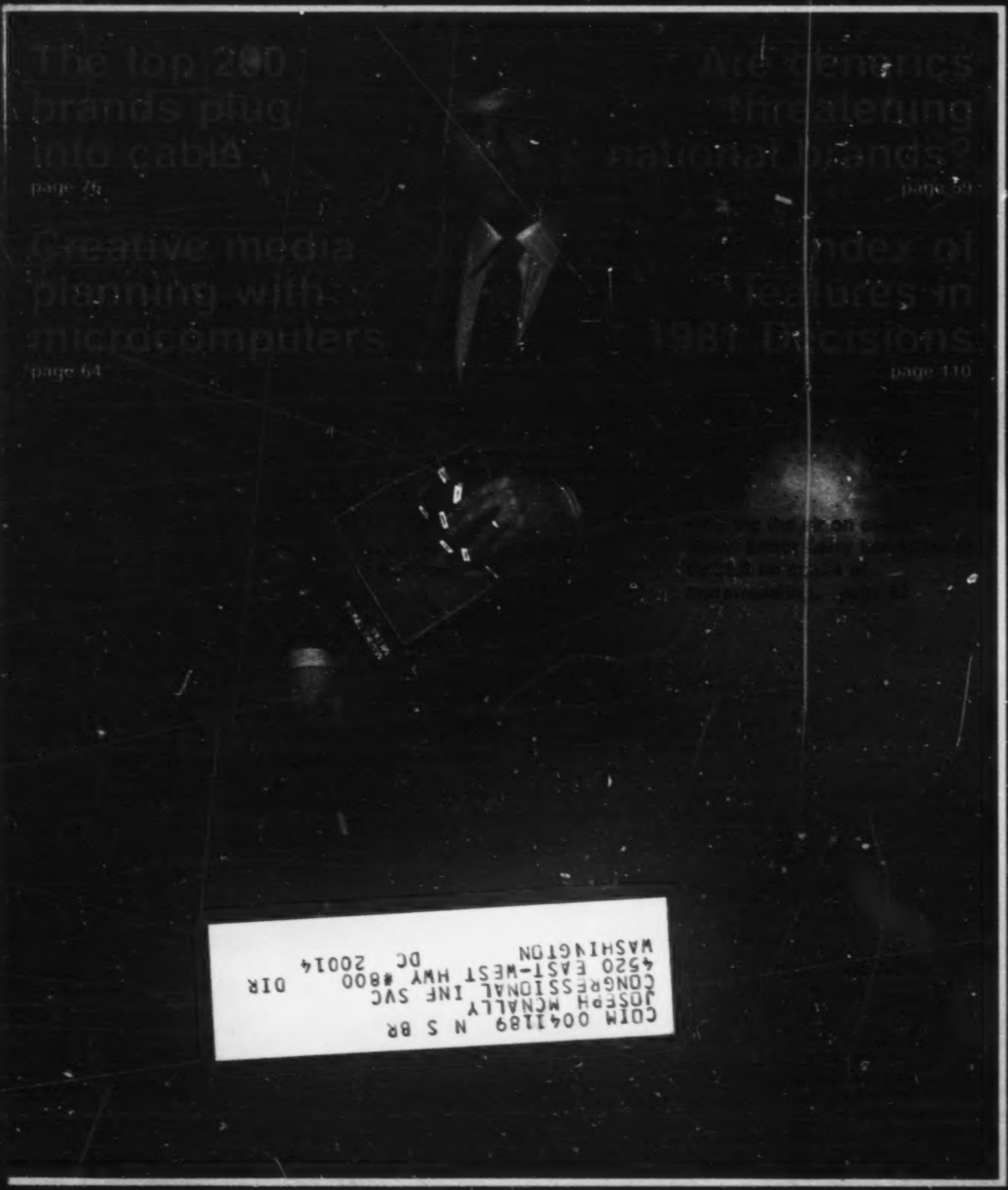

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FEBRUARY 1982, VOL. 17, NO. 2

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executive vp-director of media programing at SSC&B.

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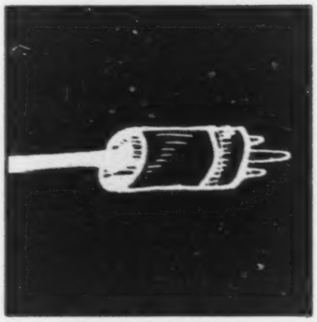

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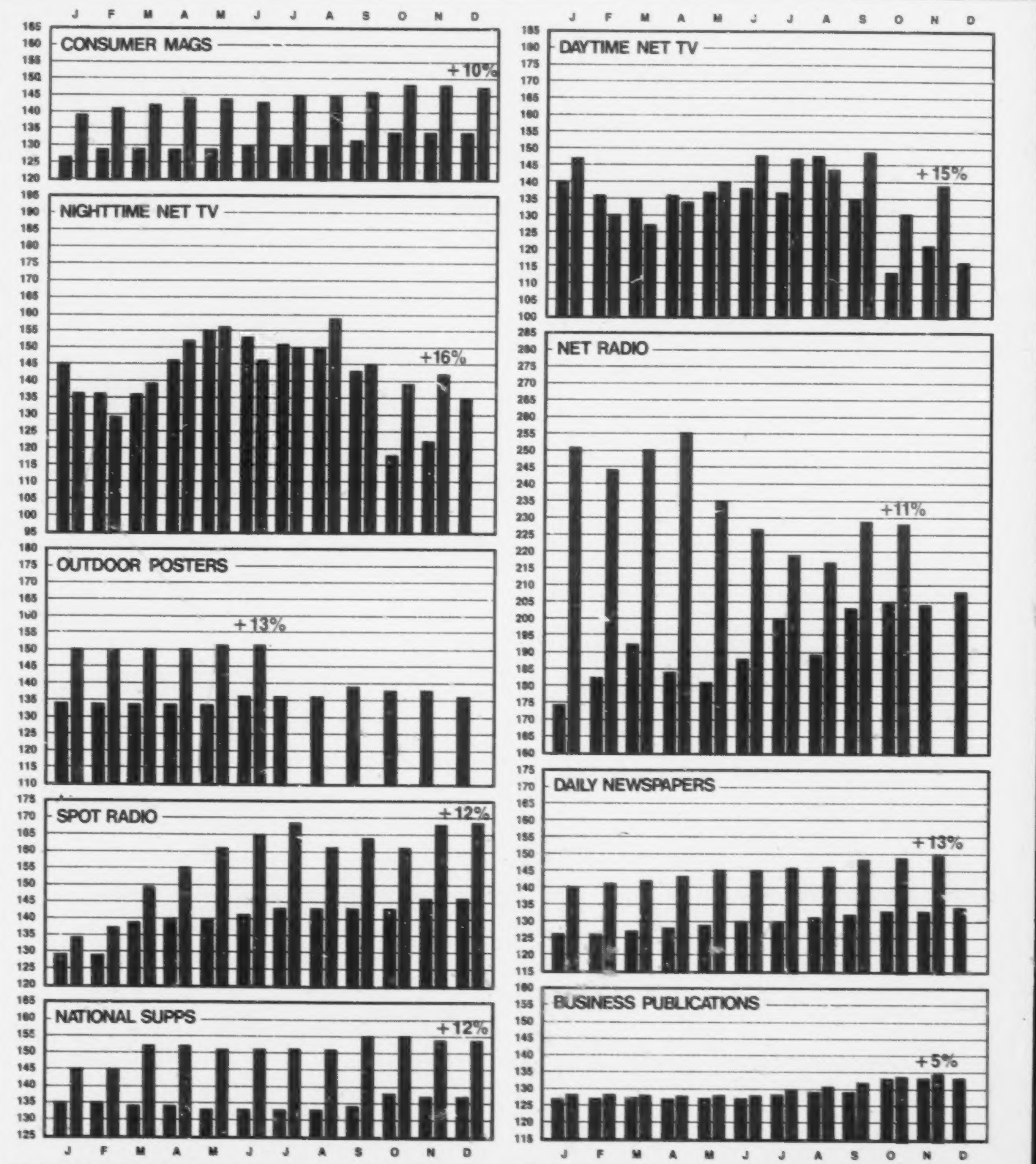
MARKETING & MEDIA DECISIONS (ISSN0195-4296) FEBRUARY, 1982, Vol. 17, No. 2 Copyright © 1982. Decisions Publications Inc. Published fourteen times. Executive, editorial, circulation and advertising offices at 342 Madison Ave., New York, N.Y. 10017 (212) 953-1888. **Available** without charge to those personally involved in media decisions at major agencies and advertiser companies. For others, subscription prices are: U.S.A. $36 for 12 issues. Canada $46. Overseas $48 (surface mail). Airmail — add $48. Single copy $3.00. All overseas copies are paid. Second-class alternative B postage paid at Burlington, Vt. **Postmaster:** Send form 3579 to Marketing & Media Decisions, 342 Madison Ave., New York, N.Y. 10017

MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page,

COST TRENDS
a Decisions analysis

1981 was a good year for radio prices from the seller's point of view. In the first half year network radio showed considerable strength — and prices ran well ahead of the year before. Prices were still 11% ahead of the same month in 1980 in October, the most recent period shown.

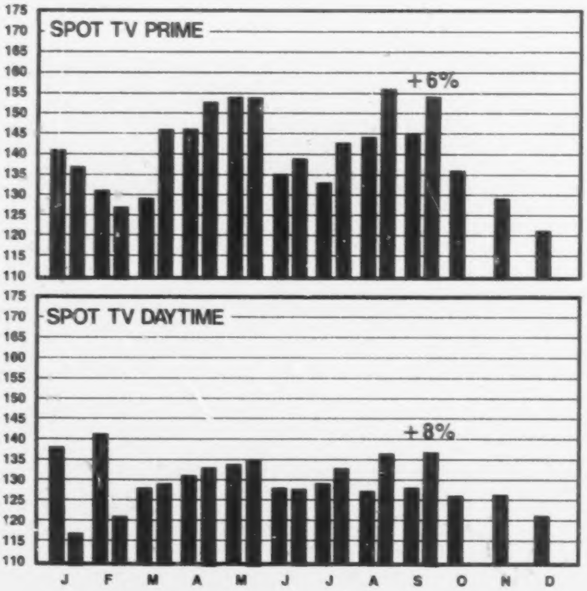
Spot radio was a relatively slow starter in 1981, but was pulled along by the strength in network — and finished the year on a month-by-month comparison 12% ahead of December 1980 in the month of December 1981.

Television patterns in 1981 were almost the exact opposite of those in radio. Both network and spot tv were slow starting, running close to the year before month-by-month in network nighttime tv and network daytime tv through August 1981.

Daytime net tv started picking up in September and nightime net followed in September. Data for November, the most recent month charted, shows daytime prices 15% ahead of the same month in 1980 and nighttime prices were 16% ahead of December 1981.

Daily newspapers continued to price themselves well ahead of 1980. Prices in September were 12% over September 1980, and in October daily newspaper prices were still running 11% ahead of the year previous — as use of newspapers continued to run ahead of the year previous.

Consumer magazines leveled off at 10% of the year previous in October, November, December 1981. At year end, however, new rates pushed the index for January 1982 up to 154 — 11% ahead of January 1981.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

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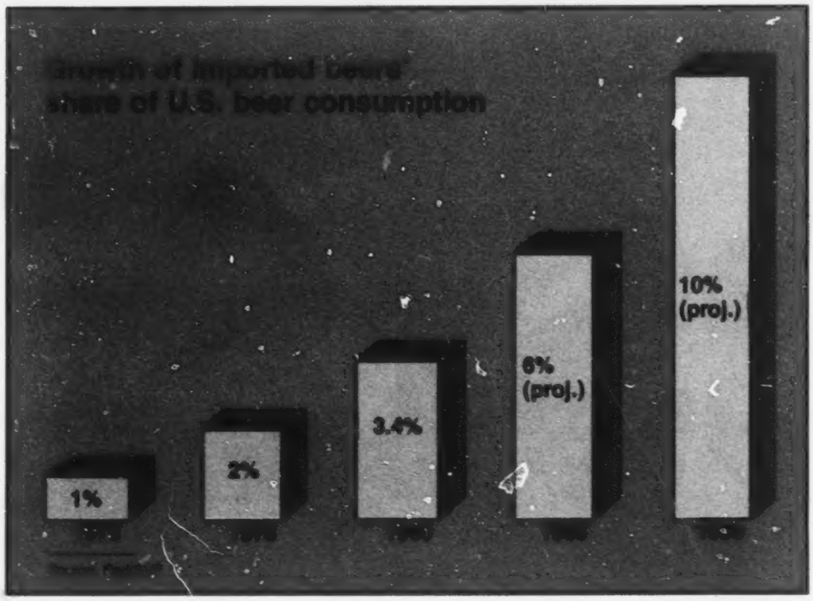
*SOURCE: Audits & Surveys June 1980 Subscriber Study

FUTURES

Imported beer expected to increase market share

By 1990, 10% of the beer consumed in the U.S. will be imported, a study from Find/SVP, New York predicts. The share of imports has gone from nine tenths of one percent in 1970 to 3.4% in 1981. The report attributes the growing strength of imports to five factors:



- **Increased consumer awareness** of imported beer and receptivity to its upscale appeal, increased advertising, and a rising emphasis on quality that many feel they get only from foreign countries;
- **Niches in the market** which are expanding or are as yet not fully developed, such as new geographic areas.
- **Post World War II baby boom generation** arriving at age when they can buy imports;
- **High profits** from the mark-ups on imports may become even more important to retailers and wholesalers due to inflationary pressures;
- **Novelty** of having many new brands to choose from.

While in 1979 imports had only a 2.6% share of U.S. market, that share accounted for 5.5% of consumer spending on beer.

The Find/SVP report suggests that the imports haven't topped out, but that unsettled economic conditions may limit growth, and that the increased popularity of draft beer (8% a year growth for the past two years) may slow expansion of imports.

However, there is a trend in the domestic beer industry to trade-up from regular or local brands to premium and super premium categories. As prices increase on these quality beers, the gap closes between them and the imports, and Americans, given good economic conditions, show a proclivity to purchase import quality at slightly higher prices. Growth in imports will be uneven on a year-to-year basis.

Research analyst Jim Sears comments: "The future of the import market is optimistic. High profitability will lead large companies with solid financial backing to market seriously over the long run. Long term financial commitment is essential because it takes two to three years to establish a brand after introduction. However, there are opportunities for the small brewer as well. The boutique beer movement is growing, as are the number of importers specializing in marketing these brands."

Real estate from Sears and American Express?

Electronic real estate selling and buying is on the verge of reality through the consolidation of the facilities now owned by Sears — Dean Witter Reynolds, Allstate and Coldwell Banker, according to an analysis in *VideoPrint* newsletter. By integrating the facilities of its own organizations, the analysis argues, Sears can provide one-stop shopping for a home.

According to *VideoPrint*, electronic real estate services as a whole are certain to grow within the decade, becoming most visible at the local level. The time consuming process of setting out criteria for the desired new home can be accomplished through an exchange of information between the client's and agency's computer terminals. The video screen also allows the agent to display floor plans and pictures usually carried in advertising, saving cost for buyers relocating to another state.

VideoPrint predicts that Sears, with experience gained in the AT&T/Knight-Ridder videotex experiment in Coral Gables, Florida, is well on its way to providing a highly successful and lucrative "shop-at-home-for-a-home" service, potentially offering a complete financing and insurance package.

Continued on page 32

CABLESCAN

JWT's estimates for average cable cpm's

Most agency media people say they still look for efficiencies when making a buy on cable, but if recently-released figures are any indication, the estimated cost per thousand households can range from $1.50 to $119 per 30-second spot depending on the programing vehicle.

Developed by Richard Kostyra, senior vp-director of media at J. Walter Thompson in New York, the cost findings (see chart) are based on the rate card price of a 30-second commercial and matched against a 0.6 share of the total subscribing households reached. Most cpm estimates, however, have been based on an exaggerated 1.0 share.

"Other agencies are buying on the assumption of a 1.0 share when we're projecting 0.6," said Kostyra. "Everyone is backing it up with assurances on audience delivery, but what does that mean when the projected audience is almost double what it really is? The people that are buying assurances are buying little more than a warm, comfortable feeling."

According to Kostyra's estimates, Ted Turner's WTBS SuperStation, which reaches 20 million cable households and attracts an estimated audience of 500,000 plus households, holds the lowest cost per thousand households rate at $1.50 to $3.50.

At the other end of the spectrum is Hearst/ABC Video Enterprises' upcoming Daytime women's information programing. The $1,000 per 30-second spot ticket price from Daytime, according to Kostyra, breaks down to $119 per thousand households.

"Obviously, Daytime is a qualitative buy," said Kostyra. "The actual efficiency is determined by your interpretation of the qualitative value of the program's target audience."

Continued on page 48

J. Walter Thompson cable cost per thousand households estimates

Programing Vehicle	Type of Programing	Subscribers (000)	% of U.S. Penetration	Cost per 30 seconds	Avg. HH Audience	Avg. Cost per 1,000 Households
ARTS	Cultural	6,000	7.4%	$1,250	12,000	$104.00
BET	Black sports, variety	8,300	10.2	750	31,000	23.80/:60
CNN	Live news	9,900	12.1	200-650	100,000 (incl. CNN2) 140,000	2.00-$4.50
CNN2	30-min. news cycle	1,000	1.2	50	10	5.00
CBS Cable	Mostly cultural	4,500	5.5	1,500/:60	9,000	167.60/:60
CBN	Religious & family	14,900	18.0	730-1,000	75,000	11.35
Daytime	Women's info	4,200	5.2	1,000	8,400	119.00
ESPN	Sports	13,500	16.6	200-1,000	100,000	7.00
MSN	Non-fictional	4,200	5.2	125-250	8,400	20.80
MTV	Rock music-video	3,000	3.7	350	30,000	11.67
SPN	How-to, info & movies	4,000	4.9	25-250	8,000	12.50
SIN	Various Spanish	3,621	4.6	400-5,500	519,000	4.40
Telefrance	Bilingual cultural	8,000	9.8	600	16,000	37.50
USA	Sports, child, women	10,000	12.3	450-1,200	60,000-200,000	7.50-$6.00
UTV	Viewer participates	3,000	3.7	300-1,250	30,000	17.00
WTBS	SuperStation	20,000	24.5	600-2,350	520,000	1.50-$3.50

Key to abbreviations:

ARTS: Alpha Repertory Television Service, from Hearst/ABC Video Enterprises and sharing Warner-Amex's Nickelodeon transponder.
BET: Black Entertainment Network
CNN: Cable News Network, owned by Turner Broadcasting.
CNN 2: 30-minute cycle of news headlines, also from Turner and set for launch in January 1982.
CBN: Christian Broadcasting Network
ESPN: Entertainment and Sports Programing Network
MSN: Modern Satellite Network
MTV: The Music Channel, from Warner-Amex.
SPN: Satellite Program Network
SIN: Spanish International Network
USA: USA Cable Network

CABLESCAN

(from 46)

In making such qualitative judgements, Kostyra warned against the problems of promotion and narrowcast programs that are cast too narrowly.

"In order to get me to watch a program," Kostyra said, "you have to tell me that it's there. How am I supposed to find it? There still is not an effective programing guide that combines cable and regular broadcast listings and uses program description blurbs that have some zing to them.

"It's also hard to reach me by advertising a program on the same or another cable service. Until I become a regular viewer of, say, USA Network, you can't use USA to promote your program to me. It doesn't make sense. Satellite listings should be easy to handle."

Echoing other media directors who have deserted the term "narrowcasting" in favor of the more accurate term "special interest programing," Kostyra likened the concept of narrowcasting to "being invited to speak to a group of experts. On what level do you speak to them?"

"Will a sailing show attract sailors as viewers?" asked Kostyra. "They already know how to tie a knot. The program then either has to talk down to the audience, becoming oversimplified and offering the viewer information he already knows, or it must become lofty and talk up at the viewer."

"The narrower the narrowcasting, the more obscure the time period the show will appear in. You won't find a narrowcast program repeated in primetime."

Kostyra also foresaw advertiser support for pay cable services, such as Home Box Office, as early as 1985.

"Right now the pay services' first concern is developing a subscriber base," said Kostyra. "But that will change as the demand for ever increasing profits starts to be felt. HBO, for instance, is no longer advertising itself as commerical free. Their promotions say their movies and programs are 'uninterrupted.' And with the longer movies, they have started to include intermissions.

"They will reach a saturation point with their subscriber base, and it is then that they will slowly turn to advertising to fill the void. They will also be a most powerful advertising vehicle."

A spokeswoman for HBO vehemently denied that the pay service is now or would ever consider becoming ad supported.

Continued on page 103

Best Sellers
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Across America, AAA members and their families read our TourBooks while they plan how to spend their travel dollars. In fact, over 21 million were requested just last year. Inside, the advertising helped readers make intelligent buying decisions on a variety of services and products.

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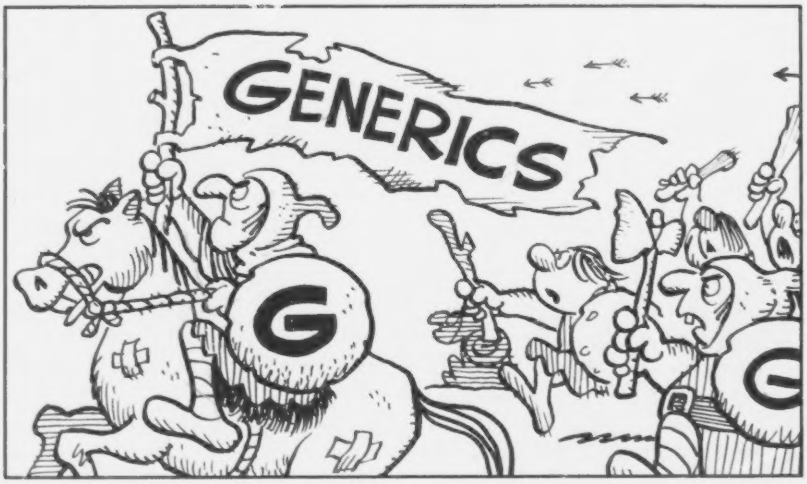

The generics threat

Generic package goods are taking market share away from national and house brands, and may increase their market shares on average from 5% to 7% in 1982. Marketers aren't sure if generics pose a threat to nationally advertised brands, or are another form of low-price private labels. One thing they are sure of: generics won't just go away.

Generics are on the march.

These low-priced grocery products, which go to market under only a category label and with no nationally advertised trademark, are gaining share of market.

Like private labels, generic products have been dismissed by some as an inconsequential adjunct to the low price end of the market. But in the past three years generics have been showing a strength that, while not immediately threatening, is seen as a symptom of brewing trouble for established brands.

The growing appeal of generics in numerous product categories suggests a serious erosion of brand loyalty among consumers. Pressed to seek lower prices by the economic downturn, consumers are more interested in value/price relationships than they have been since the great recession — and are inclined to question the premium price many brands carry.

Thomas A. Erhart, chairman of the board for the national market research company, Erhart-Babic Associates, Inc., has studied the popularity of generics, and writes: "Sure the consumer is out to save money and no-frills are cheaper. But even with heavy couponing and concurrent double couponing by stores, you don't see a repurchase pattern significant enough to improve brand shares."

A recent Nielsen study of the growth of generics in supermarkets finds that generics are doing well in some categories that are shrinking in gross sales. "Generics have not had any impact on category size and direction. Despite their collective 65% volume advances from 1979 to 1980, they have failed to stimulate the physical size of the markets they are in — markets which are off nearly 1%. This relationship exists across all segments analyzed."

The Nielsen study finds that generics are taking away from house labels as well as named brands by offering prices that are 30% to 50% lower than the average price of branded merchandise.

Fred W. Thatcher, vp-private label division at the Purex Corp. sees the growth in generics as leading to the development of a new, more economical budget line in supermarket chain house brands.

The indication that brand loyalty is waning was pointed to in an address by Don Johnston, chairman of J. Walter Thompson, delivered to the American Association of National Advertisers in November. He said that a study of generics done by the agency for Jewel supermarkets found that awareness of generics among consumers is accumulating. "In 1978 it was at 46%. In 1979 it was at 90%. In 1980, it was at 96%. As you would anticipate, generics made their biggest in-roads in categories with lowest brand loyalty."

Johnston added the data from JWT's trade study which polled 99 key executives of supermarkets and wholesalers in the U.S.A. and Canada, with annual sales ranging from under $100 million per year to over $1 billion. "They generally agreed that generics would be a strong factor in the market throughout the decade," said Johnston.

"They foresaw more growth in private labels and generics than they did in branded products. Over the next five years they foresaw a drop in the shelf space allocated to branded products and an increase in the space allocated to generics and private labels."

Currently, generics appear to have a noticeable toe-hold in the marketplace. On average, according to Nielsen, generics account for about 5% of sales, and have been picking up speed in the past two years. Between 1978 and 1979, the entire share growth of generic labels appeared to come exclusively from private label, as generics moved up to a 1.1% market share. Between 1979 and 1980, generic entries doubled to a 2.2% share of market. Meanwhile, private labels lost 0.9% share, and advertised brands lost 0.2% share.

The Nielsen study, written by Jim Parks, vp-marketing research group, notes: "It can be fairly stated that generic label performance within the best developed 50 categories has collectively doubled from a level of 2.6% a year ago to a 5.3% share of market generated across six recent months."

A JWT study on brand loyalty shows three categories of high, median and low brand loyalty. In some instances, the products with the lowest brand loyalty are the highest in generic market share. But not always. (See box on page 102B.)

But within these categories, a phenomenon of brand loyalty occurs. "The nearer a product is to a commodity the lower the degree of brand loyalty. And, the higher the degree of perceived risk to the consumer, the

Brand Names

more reluctant the consumer is to switch," JWT reports.

The nature of perceived risk varies widely. The loyalty rate for cigarettes was the highest we found in all our categories. And so was the level of perceived risk — the risk in this case being the loss of a familiar and favored taste."

But within a product category, the brand most vulnerable to brand switching is apt to be the share leader. In cigarettes, with a 53% brand loyalty (those who wouldn't switch brands even for a 50% price saving), share leader Marlboro had only 45% brand loyalty. "The most intense loyalty clustered around two relatively minor brands, Tareyton at 74% and Camel at 68%," the report said.

This increase in brand loyalty as brand share ratings diminished was noted in all categories. JWT's Johnston commented: "What we're dealing with, I believe, is the difference between main stream marketing and segmented marketing.

"Ideally, what a main stream marketer wants is everybody. His objective is to cut across segments — men, women, young, old, college graduate, high school graduate, black, white, north, south. That's how you put a really big brand together.

"A segmented brand is quite a different proposition. If it is being marketed properly, its appeals are being directed very precisely at a well understood consumer segment. When it is possible to understand your customers that well, because they are more or less alike, you can bind them more strongly to you and hold their loyalty better."

Johnston suggests that those brands most threatened by generics and house brands are the ones that should pay the most attention to cable tv and other forms of the new electronic media, to develop stronger approaches to segmented marketing. "Any evaluation of the future of brands in this country must take into consideration a new factor in the marketplace, the so-called 'new media,' most immediately, cable television.

"Network television advertising has been and still is today the natural tool of national manufacturers in search of mass markets. The new fractured media, however, because of their local, segmented nature have a potential for retail advertising that network tv never had.

"The smaller retailers don't realize this yet, but the big ones do. A lot of them are involved in early experimentation with new media. Obviously, they foresee the possibility of new, local sales effectiveness — even of changes in basic distribution systems.

"Who will understand the new media best — manufacturers or retailers? And who will put that knowledge to use most effectively? The answers to these questions will have a major influence on the future of brands.

"The future seems brightest for specialized and clearly differentiated brands that perform a function the consumer sees as particularly well adapted to his own purposes and way of life. Developing those brands and maintaining them requires a whole series of positive acts from R&D through quality controls. It requires a new perception of both segmented markets and segmented media. It requires not only understanding but a complete commitment to the idea of branding, and of long-range programs rather than day-to-day reactions to the marketplace."

Despite the threats generics pose to branding, they are often coming from the very companies that produce the brands that compete against the generics. Scott, for instance, produces paper products in generic packages. The Liggett Group, now owned by Grand Metropolitan Ltd., produces a generic cigarette. The reputation for quality they develop frequently rests with the supermarket chain that offers them, Johnson notes. "Backed by the prestige reputation of Jewel or Ralph's or King Soopers — they're a consider-

Continued on page 102B

GENERICS
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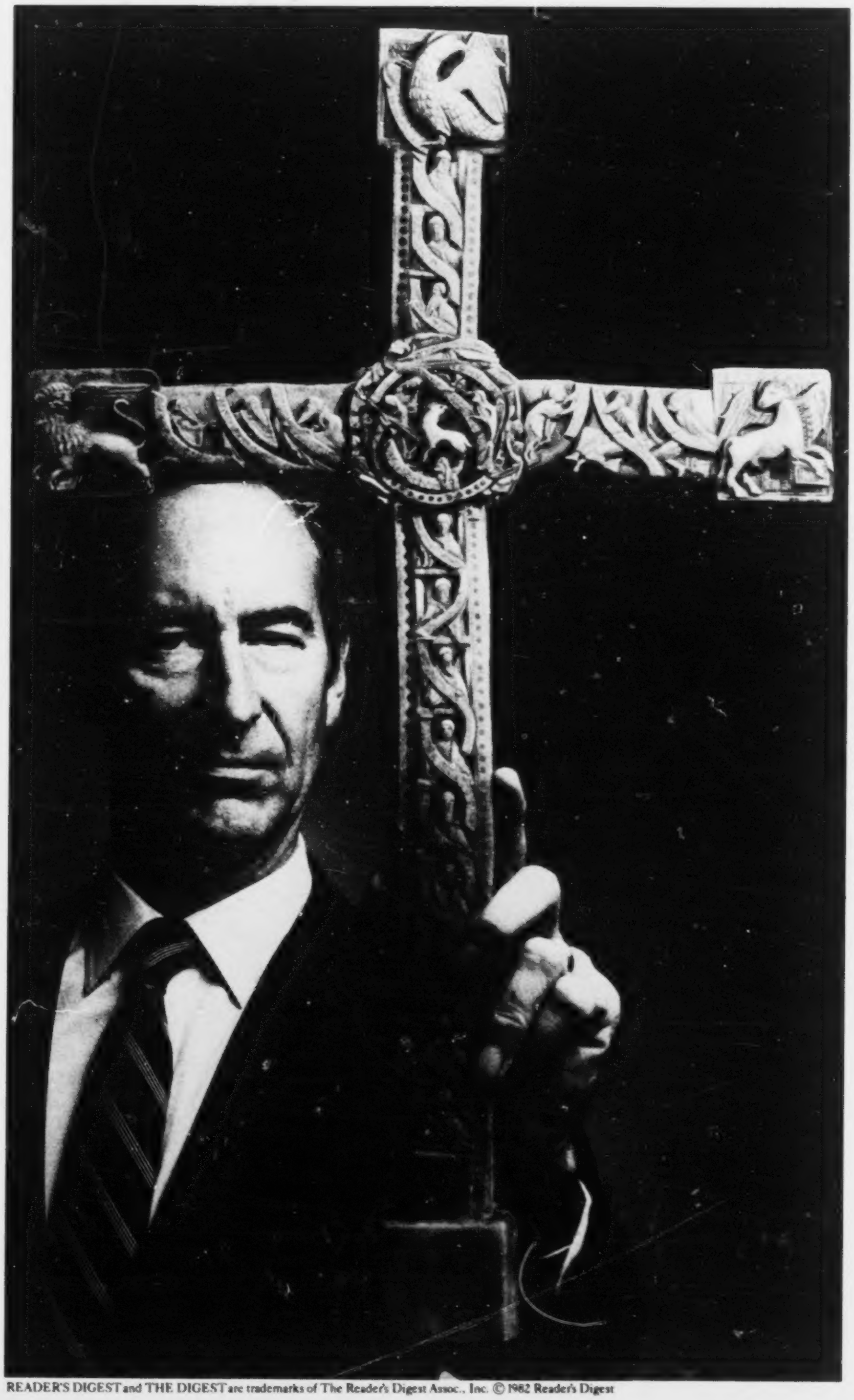
DICK HODGINS

The revelations of Thomas Hoving



Did a young, obsessed Thomas Hoving, later director of New York's Metropolitan Museum of Art, embark on a crusade to acquire a medieval cross to give his career a vital boost?

Did he ever buy a smuggled work of art?

Did he break into another museum's glass case to examine a small ivory plaque?

Hoving reveals some secrets of acquiring art treasures in his rousing, art-world detective story, "King of the Confessors."

Hoving's book, which takes its title from a mysterious inscription on a 12th-century English cross, appeared as the book selection in The Digest only a month following its publication date.

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have less time to shop. So the package becomes the single means for marketers to communicate with their customers at the time of purchase and use."

An expansion of the generic market is also expected by some marketers who are in both the branded and generic side of the package goods business. David Carey, vp-consumer products for Scott Paper Co., expects the generic share of the sanitary paper product market to increase.

"Right now, generics represent between 7% and 8% of the market. Most of that business is moving out of branded product to private brands, and then into generics. In 1982, it looks as though the generic share will grow from its present 8% base to between 9% and 10%."

The reason, he suggests, is "that the consumer has demonstrated a desire for products that offer a minimum acceptable level of performance, and is buying them. There are consumers who want a basic, no frills package.

"We have lost some business directly to generics," Carey admits, "but our value line has been designed to give maximum value to the consumer. We have held or improved our share of business over the past year."

A different view of the direction of generic growth in the next months comes from Fred W. Thatcher, vp-private label division of Purex Corporation. Purex is a major supplier of household cleaning products for generic and private label distribution, as well as its own branded lines.

The promotions by major chain supermarkets, Thatcher believes, are causing generics slowly to evolve into a lower-priced tier of private labels. "While there are a lot of black and white labels out there, they are now taking on a brand identity. We are seeing a lower priced budget level of private labels developing.

"I think the concept has a great future. It's getting back to what private label was supposed to be in the first place, but private labels have been upgraded in recent years so there are no true budget lines. I believe there are more budget lines coming."

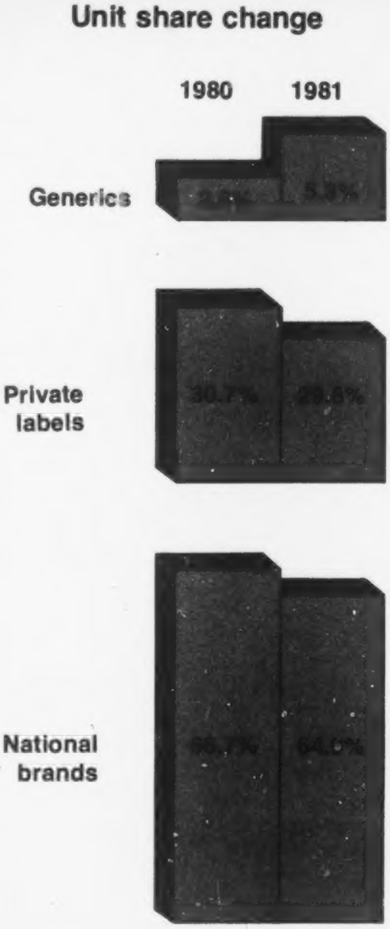
Stores with new private labels that are now developing momentum in what Thatcher calls "generic lines" include: Shoprite's MSB, Pathmarks's No Frills, Safeway's Scotch Buy and Kroger's Cost Cutter.

Although Purex sells private labels, generics and its own branded lines, Thatcher claims there is no conflict between them. "The Purex private label division sells a formula. We don't care what label anybody puts on it. We have a sales force out there selling our private label, but we don't advertise to the trade. There really are no savings for generic products for anybody in our area.

While Thatcher does expect growth in generics and private label this year, he says: "I don't see it getting up to 10% of the category in our product area."

But as the recession deepens, the generics do at least have a temporary tailwind

Fred Gardner



Source: A. C. Nielsen Market Research Group

CABLESCAN

(from 48)

Cable ad logging shows multi-service advertisers

At the request of several ad agencies, including Foote Cone & Belding, Doyle Dane Bernbach, Ogilvy & Mather and Young and Rubicam, Advertising Information Services, Inc. has been keeping logs of primetime advertising on four major cable programing services on the Teleprompter cable system in Manhattan.

The monitoring, which began last October, continued through January when Broadcast Advertisers Reports started logging cable commercials on a 24-hour basis.

Jared Safirstein, president of Advertising Information Services, said that while the monitoring could spot preemptions only in the Manhattan cable market, the logs did reveal a "relatively high incidence of discrepancies."

Safirstein could not give a percentage of commerical spots which did not run when scheduled, but he said that in all but one case the programer agreed to makegoods. The Cable networks monitored included Turner Broadcasting's WTBS SuperStation and Cable News Network, Entertainment and Sports Programming Network (ESPN) and the USA Cable Network.

Other findings from the report, according to Safirstein, showed a predominant majority of advertisers using only one cable programing vehicle.

"Of the 150 companies whose ads were monitored," said Safirstein, "one-hundred and one used only one programing vehicle. Thirty-three use two vehicles, eleven used three and five advertisers were on all four networks."

Almost all of the commercials logged were 30-seconds, except for a few 120-second ads from book and magazine publishers, said Safirstein.

The average commerical minutes per hour on the four services went as follows: USA: 6 minutes; ESPN and WTBS: 7 1/2 minutes; and CNN: 9 1/2 minutes, all during primetime.

Detail from Cover Girl Thick Lash ad.

Brand Report 73:

Cosmetics

The recession has hit the cosmetics business and marketers are looking for new ways to drum up sales. One technique being tried for the first time is the use of coupon offers. Although newspapers and free standing inserts are getting an increased share of the media pie, overall spending is not increasing. Marketers are cutting back ad budgets because of the tight economy.

Although cosmetic companies continue to launch new products and fortify popular exisiting brands with increasing amounts of advertising, the $3 billion business is nearly mature, leaving little room for brands to grow without stealing market share from competitors.

Yet ad budgets are lagging behind inflation, partly because the business has been hit by a recessionary sales snag.

"Cosmetic companies are cutting back their budgets to save their profit margins," observes Brenda Landry, a vice president at Morgan Stanley. "The only way cosmetic companies can survive in this environment is to continue launching new products and advertising them heavily."

Medium-priced brands are hurting most in this tight economic period because consumers are trading down to lower-priced cosmetics.

Cosmetic purchasers traditionally have been lured to brands by expensive advertising campaigns promising higher quality. But with fewer discretionary dollars, price is becoming a crucial factor in purchase decisions.

To reverse this trend, some cosmetic marketers have resorted to large promotional campaigns featuring cents-off coupons. Even the premium-priced brands are now offering price incentives.

Top advertised creams & lotions — 1980

	Total	Sups	Mags	Net tv	Spot tv	Newspapers	Outdoor	Spot radio
Oil of Olay	**$32,419.4**	—	$2,769.9	$26,498.8	$3,150.7	—	—	—
Vaseline	**7,119.7**	—	549.7	6,527.3	42.7	—	$280.0	—
Wondra	**5,195.0**	—	528.6	3,753.9	912.5	$10,805	—	—
Sassoon	**4,550.7**	—	855.3	1,576.1	2,119.3	—	—	—
Raintree	**3,820.1**	—	963.1	2,216.2	201.6	—	—	—
Ponds	**3,380.9**	$310.8	—	3,509.3	—	27,470	—	—

All chart statistics from: Leading National Advertisers, Broadcast Advertiser Reports and Media Records.

The cosmetics business faces a further crunch in the current recession as retailers cut back inventories because of high interest rates. And though interest rates have abated slightly recently, retailers still have not stocked up for fear that consumers are not buying, especially not discretionary items, according to Frank LeCates, a stock analyst at Donaldson Lifkin & Jenrette.

Lower-priced brands geared to rapid turnover are winning favor from retailers. This past year lower-priced, mass-distributed brands like Cover Girl and Maybelline have enjoyed sales growth.

Aside from external economic factors affecting cosmetic marketing, cosmetic profits and sales are being squeezed.

Although the expansion of working women — who tend to be heavy makeup users — has helped cosmetic sales, that trend has peaked. Observers say that the market is becoming mature.

One area of cosmetics, however, seeing enlivened marketing activity is facial treatments, where a host of new competing products have been introduced. Gillette, for example, introduced two new facial products this past summer, supporting them heavily. Aapri, a facial cleanser with a gritty texture, is being supported with a budget of $9.3 million, and sold out in its initial phase. Similar facial cleansers have been higher-priced and distributed on a limited basis, so Aapri is being watched closely.

Gillette's second new product, Silkience facial moisturizer, is a brand extension of its shampoo. It carries an ad budget of $11.5 million, with a direct mailing of 15 million samples.

While the market's maturity and the economic squeeze on cosmetic sales have affected some marketing strategies, media selection remains unchanged.

Advertising budget increases are not keeping up with inflation, but this effectively smaller advertising pie is being shared by all media. Cosmetic marketers continue to pour the majority of their dollars into broadcast to support their mass distributed brands. Print remains the second most used medium in terms of dollars. Magazines are popular because colors and shades can be played up dramatically, and are used to explain product use and benefits.

Cosmetic marketers commonly pick out magazines based on how well the age of the readership corresponds to product demographics since some cosmetic products are only popular among specific age groups. For example, lip glosses sell well against teens, and facial moisturizers against older women.

With the growing popularity of promotions featuring coupon drops, both free-standing inserts and rop newspaper space is capturing more of the cosmetic ad dollar. Still, the percentage is minimal compared to other media.

Radio gets approximately 2% of national dollars, and is also a slightly expanding medium for cosmetic marketers. Brands which tend to skew against a younger audience are the most likely users of radio, often used to reach teens.

Although premium-priced cosmetics traditionally have been sold in department stores and medium and lower-priced brands in a variety of stores from the food store to the drug store, there is a growing shift in the way cosmetics are being distributed.

Food stores are capturing an increasing share of the products, up 18% in

Spending strategies for top ten advertised brands — 1980

	Total	Mags	Sups	Net tv	Spot tv	Net radio	Outdoor	Newspapers	Spot radio
Oil of Olay	**$32,419.4**	$2,769.9	—	$26,498.8	$3,150.7	—	—	—	—
Maybelline	**26,311.6**	5,704.1	—	16,581.2	656.3	$1,524.1	—	—	—
Cover Girl	**24,034.3**	6,659.4	—	16,944.6	430.3	—	—	—	—
Revlon	**20,028.8**	5,064.8	$99.8	5,339.9	7,704.1	—	—	$341,268	$ 47,937
Avon	**9,330.2**	982.8	9.2	6,617.4	440.6	1,276.7	$3.5	—	452,831
Estee Lauder	**8,965.3**	2,085.3	434.6	—	6,445.4	—	—	515,920	—
L Erin	**8,033.9**	1,487.0	—	—	6,546.9	—	—	20,189	—
Vaseline	**7,119.7**	549.7	—	6,527.3	42.7	—	—	—	—
Lip Quencher	**10,085.8**	102.5	—	—	9,983.3	—	—	—	—
Maxi	**6,166.3**	1,653.5	56.4	562.9	3,993.5	—	—	—	—

the last two years. One reason for that change: working women, with less time on their hands, are buying cosmetics at the same time they buy food.

Avon and Mary Kay, which sell their products through salespeople who make home visits, are faring well in the current recession because they do not share their competitor's fears of inadequate inventory.

Following is a rundown of the major advertised brands, including their competitive stance, distribution patterns, and new marketing and media strategies.

Oil of Olay

Oil of Olay has been getting bigger and bigger and we are spending more and more to advertise it," said media director Irwin Fleischer at Richardson Merrell Inc.

The face lotion/moisturizer was the sales volume leader in 1980, up more than 61% in sales. But Estee Lauder is still the dominant brand, reaching 26.9% market share, according to *Product Marketing's* annual cosmetic marketing report. Oil of Olay rates second in the market with a 17.5% share, ahead of Noxell's Raintree and Revlon's brands.

Oil of Olay ranks first in advertising expenditures. Its 1980 ad budget of $32.5 million was increased in 1981 to $46 million, according to a *Decisions* estimate based on comparing first half 1980 and 1981 data. Those budget allocations are far larger than the second heaviest cosmetic-related spender, Maybelline, with a 1981 budget of $26 million.

The bulk of Oil of Olay's budget goes to network television with a smaller proportion going to spot television. In print, the budget is approximately $3 million.

The print campaign is unusual: ad copy looks like editorial copy, with lengthy explanations about how skin can look more beautiful with the use of moisturizing Oil of Olay.

Maybelline

Heavy spender Maybelline is enjoying record sales growth, buoyed by consumers trading down to lower-priced brands, and by two new products that are doing better then expected.

One is Moisture Whip, a facial moisturizer, and the second is Dial-a-Lash, an adjustable mascara that controls the amount of liquid on the brush.

The budget for Moisture Whip is heavy in print, featuring various sweepstakes offers such as a week's vacation in New York City.

Maybelline, while heavy in print and network television, is also one of the few cosmetics marketers to use network radio. The medium is used for younger-skewed products such as flavored lip glosses. In 1980, Maybelline spent $1.5 million in network radio.

Maybelline uses a broad selection of fashion, teen and women's service magazines. Eye shadows and powder blushes, which tend to be used by younger women, are advertised in the younger-oriented books. Nail color and moisturized makeup tend to be more popular among older women so women's service books are selected.

Because Maybelline has such a wide-ranging choice of products, with entries in facial make-up, lip, eye and manicure products, it tends to favor a broad media strategy.

Yearly ad dollars for top cosmetics brands

	1981 estimates	1980	1979	% change 1980/1979
1. **Oil of Olay**	$46,000.0	$32,919.4	$20,098.3	+61%
2. **Maybelline**	26,000.0	26,311.6	25,544.5	+3
3. **Cover Girl**	30,000.0	24,034.3	22,476.4	+7
4. **Revlon**	17,700.0	20,028.8	18,150.2	+10
5. **Avon**	3,000.0	9,330.2	16,001.4	−41
6. **Estee Lauder**	9,000.0	8,965.3	6,701.8	+33
7. **L Erin**	15,000.0	8,033.9	4,255.6	+88
8. **Vaseline**	7,900.0	7,119.7	4,744.9	+50
9. **Lip Quencher**	10,000.0	10,085.8	8,134.6	+23
10. **Maxi**	7,625.0	6,166.3	3,839.0	+60
11. **Wondra**	4,250.0	5,195.0	13,093.3	−60
12. **Sassoon**	6.3	4,550.7	100.6	+4000
13. **L'Oreal**	1,700.0	4,417.0	3,905.8	+13
14. **Aziza**	4,600.0	4,061.4	4,209.6	−3
15. **Max Factor**	4,375.0	3,522.5	2,103.8	+67
16. **Nivea**	4,700.0	3,488.5	3,302.6	+6
17. **Ponds**	1,200.0	3,802.1	3,971.2	−4
18. **Raintree**	3,600.0	3,380.9	3,256.5	+4
19. **Cutex**	3,460.0	2,524.3	1,940.7	+30
20. **Lancome**	1,800.0	1,232.6	988.2	+24
21. **Mary Kay**	1,000.0	1,074.3	2,819.1	−62
22. **Clinque**	1,000.0	953.0	1,254.2	−24

Cosmetic ad dollars by media and year

	1980	1979	% change	Media's share of total — 1980
all media	$244,556.3	$229,158.3	+6%	—
news sups	2,140.5	1,776.3	+21	1%
magazines	65,398.6	57,385.4	+13	26
net television	114,509.3	102,196.3	+12	47
spot television	57,279.9	53,189.4	+7	23
net radio	4,174.5	2,856.2	+46	2
outdoor	1,044.5	1,907.3	−45	less than 1%
newspapers	4,755.0	4,041.0	−15	2

"We are a mass appeal and mass distributed cosmetics company, so we use a national approach in advertising," said Robert Schreiber, vp-advertising.

Maybelline spent $16.6 million in network television in 1980. Its $1 million spot television budget is used to heavy up in key markets, Schreiber said.

Maybelline's heavy spending in print - approximately $6 million in 1980 - is to get at the light tv viewer, he said.

Noxell

Noxell is adding weight to its easily recognizeable "clean, fresh Cover Girl look" by substantially increasing overall spending while expanding its print budget.

"We've stepped up our overall schedule in existing magazines to support more brands," said F. Stone Roberts, vp and management supervisor.

Cover Girl already advertises heavily in print — some $6.5 million out of its 1980 $24 million budget was allocated to teen and beauty books, and women's service magazines.

The remainder of its budget goes heavily into network television, with a minimal amount reserved for spot television.

Cover Girl has long projected a healthy glow using model Cheryl Tiegs in television and four-color print ads.

Recently, the brand got a new cover girl, model Christie Brinkley, whose penetrating blue eyes, full lips and blonde hair spice up the brand's image.

Noxell has been growing rapidly, according to a number of stock analysts, because of heavy advertising support and rapid turnover of products at the retail level.

Sales are up 14% over 1980, as consumers turn to lower-priced brands.

"Both Maybelline and Cover Girl are geared to regular use and rapid turnover. So the retailers like them very much," said Frank LeCates of Donaldson Lifkin & Jenrette.

While Cover Girl still lags behind Maybelline in the market, Cover Girl has increased its advertising support by a greater percentage than Maybelline.

Revlon

As the giant among mass marketed brands, Revlon has successful entries in all categories of cosmetics, and promotes all heavily. Its products range from high-to low-priced items, fashion conscious women. Formula 2 for a younger working woman and Natural Wonder for teens to the mid-twenties. Revlon also has a line of cosmetics for Black consumers, Polished Ambers.

Janet Wilson, L'Erin director of marketing, has helped redesign brand's image and ads.

Revlon media director Anthony Cozzolino says the company tries "to get at both the heavy user and the potential user. There are so many companies that the competitive level for attention is very high. You have to do certain things to go out there and sell."

Revlon makes minor changes in its media strategy on a yearly basis. In 1980, Revlon withdrew $1 million in magazine advertising for facial makeup. It also cut spot television support for facial makeup by $600,000.

The company leads the market with a 27% share, followed by Max Factor, Maybelline and Cover Girl. Revlon is the top seller in lipsticks and lip glosses and is second behind Max Factor in makeup bases. It competes fiercely with Max Factor and Maybelline in eye makeup. Revlon is also at the top in nail polishes and enamels with a 20.2% market share, according to *Product Marketing's* 1980 consumer study.

Revlon's advertising expenditures, lag however, behind Cover Girl and Maybelline.

Last year, its estimated budget was $17 million, compared to $30 million for Cover Girl and $26 million for Maybelline.

Max Factor

"We're trying to break out of the mold of typical cosmetics marketing," says Harv Jaffe, senior product and promotion manager for Maxi cosmetics, Max Factor's heaviest advertised, youngest skewed and lowest priced brand.

Max Factor, a relatively prestige cosmetics house among the mass marketed brands, prices Maxi slightly higher than competitors Cover Girl and Maybelline.

But last year, Maxi began a price promotion dropping 25 cent and 50 cent coupons. They pulled a much higher response than expected, and so in an unusual move for a cosmetic marketer, Maxi has committed itself to a large coupon program this year. It will be dropping one major coupon every 90 days, placed in magazines and free standing inserts with additional distribution through direct mail, according to Jaffe.

About 10% of the print budget has been allocated to the coupon drops.

The print schedule is a broad one that has recently been expanded with the addition of *Coed* and *Young Miss* magazines, to target more heavily to teen-agers.

The schedule also includes *Good Housekeeping*, *Redbook*, *Woman's Day*, and *Family Circle*.

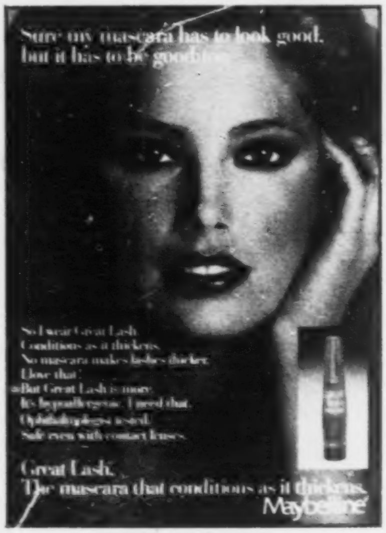
Because Maxi's target is females 16-34, it aims for what Jaffe calls the "Saturday Night Live crowd" in its television buying. Most of its network television spots, which run in five flights for a total of 20 weeks, run late at night or on weekends.

Although Maxi is positioned as a budget value cosmetics line, the advertising emphasizes maximum performance based on laboratory test results. Claims are made for eight-hour makeup and 24-hour mascara.

Lip Quencher

No other brand in a single makeup category gets as much advertising support as A. H. Robbins' Lip Quencher, which has a $10 million budget.

The media budget is almost entirely allocated to spot television. Sally Wood, group product manager, said this is more efficient, because it combines Lip Quencher's dollars with other company brands such as Chapstick.


Sure my mascara has to look good,
So I wear Great Lash.
Conditions as it thickens.
No mascara makes lashes thicker.
I love that.
But Great Lash is more.
It's hypoallergenic. I need that.
Ophthalmologist tested.
Safe even with contact lenses.
Great Lash.
The mascara that conditions as it thickens.
Maybelline

Maybelline promotes product benefits to mascara users.

Chapstick's budget is heavy in spot television because it sells better in certain areas of the country.

"We are in spot television almost exclusively because the company strongly believes that it is important to stand out effectively in one medium," Wood said.

Although Lip Quencher was not supported with print advertising in the late seventies following its introduction in 1975, it is using print in 1981 and 1982 not for "reach and frequency," Wood said, "but to tell a color story. Color stories about new shades are difficult to tell in television."

A product benefit campaign is replacing Lip Quencher's "Color Me Quencher" ads.

"We plan for a much stronger positioning in 1982 with the campaign 'lips can't look this good unless they feel good.' "

L'Erin

L'Erin cosmetics, a subsidiary of Consolidated Foods, which also owns L'Eggs panty hose, has been trying to compete with mass-merchandisers Cover Girl and Maybelline but its success has been limited until recently.

Sales are up 30% from 1980, primarily due to a modernized advertising campaign from a new agency, Dancer Fitzgerald Sample, expanded distribution, new products and a heavy retail promotional emphasis.

The new thrust also revamps positioning for a market gap L'Erin researchers believe they have found.

"We believe we have found a hole among the heavy cosmetic user who is an active woman, wants to appear attractive to herself and look appealing to the opposite sex," said Janet Wilson, director of marketing.

"The idea we are trying to present is that L'Erin gives you an edge," she said. As part of that theme, the old ad copy, "put your face on and forget it," has been replaced by "say it without saying a word, let L'Erin do the talking."

The new campaign costs $15 million in advertising and promotion for 1981 compared to $8 million the year before. One reason for the increase is the move to national distribution this past summer. Before, L'Erin was in 58% of the country.

National roll-out has reduced significantly L'Erin's reliance on spot television. It is now using prime and daytime network television in flights of four to six weeks five to six times a year with additional spot television in strong sales areas.

Although 75% of the budget goes to television, 25% is allocated to women's service and fashion books, with four-color ads 12 months of the year, Wilson said.

"Consolidated Foods believes very strongly that a mass marketed item requires heavy support. We will continue to be outspoken in advertising. Our share of voice will exceed our share of market," Wilson said.

The heavy promotional support and high number of new products — L'Erin is planning to bring out 40 new items this year — is necessary, Wilson pointed out, because cosmetics are an impulse buy.

Excitement is generated at the retail level with as many as five to six promotions a quarter, offering trial sizes, value offers and new products or shades.

Point-of-purchase display units are geared to these promotions.

Christie Brinkley portrays Cover Girl's clean, fresh look.

Retailers get a 5% co-op ad allowance to promote these events in newspapers.

L'Erin cosmetics are packaged in burgundy and white cartons and display units are geared to promotional events.

The idea is to catch the consumer's eye with a treatment different from other cosmetic brands, much like L'Eggs egg-shaped cartons and separate display units did for hosiery.

A key part of the overall strategy is offering the retailers a fast-moving, profitable product. L'Erin claims that its retail package is the most flexible of the mass-merchandised brands and offers more products per square foot of space than any other line.

L'Erin, which is aiming for women 18-34, is highly conscious of its pricing strategy. "We are priced 5-10% ahead of the budget brands and yet we are below the prestige brands," Wilson said.

"We try to present a better fashion statement for a few pennies more and an equally elegant package and fashion statement for a few pennies less."

Avon and Mary Kay

The direct marketers of the cosmetic business, Avon and Mary Kay, have built up large businesses by selling medium-priced quality cosmetics in a highly personal way. Perhaps no salespeople are so well-known as the Avon representatives who sell their goods door-to-door. And Mary Kay reps, who organize Tupperware-like parties where products are demonstrated, also are becoming better-known.

Cosmetics sell in the home because consumers can easily try out the products without being embarassed by doing so in crowded department stores.

In a tight economy, both Mary Kay and Avon stand to gain a further edge on the competition. Neither relies on retail inventory, which has hurt other cosmetics companies as retailers cut back on inventories.

Mary Kay's sales have been climbing dramatically. In 1980, sales were up 77% to $160 million. But Avon's sales are relatively stagnant. Avon has induced sales, however, by offering large discounts on specified items wrapped into a large promotional campaign supported by heavy television flights. Still, its overall sales have remained sluggish. A number of financial observers blame the slump on Avon's recent policy of cutting advertising while simultaneously increasing prices.

Avon's ad budget, once $16 million, dwindled to less than half that figure in 1981.

Dallas-based Mary Kay cosmetics has built its business by enticing representatives with lucrative sales incentives. Mary Kay has only been advertising for three years - it launched a campaign "to provide national support for name recognition," according to Larry Kelley, media supervisor at Bozell & Jacobs in Dallas.

"The advertising serves a dual purpose - to not only sell the products but to recruit actual salespeople," Kelley added.

Mary Kay's $1 million ad budget is strictly a women's service magazine campaign. However, the company is considering introducing Hispanic and Black media as its line of cosmetics expands.

Rebecca Fannnin

UPDATE

(from 44)

Hispanic-American families average 3.8 persons per household, compared with the all-U.S. average of 2.8 persons.

Tar and nicotine in cigarettes found waning

Three quarters of the 200 brands of cigarettes have no more than 15 milligrams of tar, the most recent test by the Federal Trade Commission shows. (See: "*Brand report 69: Cigarettes,*" October 1981, pg 171).

The previous test done in May of last year showed 125 of 187 brands came in at 15 mgs. of tar. Ten brands came in with 0.5 mgs of tar, one more than in May.

But Barclay, the new brand from Brown & Williamson, continued to be a bone of contention in the industry, as other manufacturers argue that the commission's testing method gives the brand a deceptively low rating. While Barclay tested at 1 mg. of tar, competitors protest that the mechanical puffers used by the FTC are being fooled because the Barclay filter allows more air into the smoke stream than naturally occurs when a human inhales cigarette smoke.

The brands which scored lowest in tar, nicotine and carbon monoxide are Cambridge filters, Now 100 filters and Carlton filters.

Meanwhile, on the marketing front, B&W's Kool brand has expanded its commitment to and association with the Kool Jazz Festivals. The corporation will present the festivals in 20 major cities in the U.S. in 1982. B&W declined to disclose dollar support totals for the festivals.

Another tobacco giant, R. J. Reynolds, is revamping packaging for its Winston brand, the number two seller in the U.S. Lawrence Hall, vp of brand marketing, commented, "When Winston was introduced in 1954, its pack design was an integral part of the brand's success.

"Consumer tastes have changed since then and we believe updating Winston's packaging will give the brand an even broader appeal to today's smokers." After testing package changes with consumers, Hall said, "The results were highly favorable, with the modifications accomplishing our objective of making Winston more contemporary and linking each style to the brand's heritage."

The pleasure is back.
BARCLAY
BARCLAY
BARCLAY
99% tar free.

Barclay is still a controversial brand with its tar figures.

RJR was succesful in revamping the package for Camel Lights, to put the brand back in the mainstream of cigarette marketing.

IBM off to fast start with personal computer

IBM's personal computer launch has been a spectacular success, according to *Leisure Time Electronics Reports*. (See: "*IBM bites Apple,*" October, 1981, pg. 126). Computerland dealers surveyed by the newsletter say demand is outstripping supply. Many stores report a wait of 30 to 40 days.

Joe Devine, systems analyst at the Computerland in Hamden, Connecticut, said, "Neither IBM nor Apple will be able to fill the demand. The market is going to increase much faster than the ability of any of the suppliers to meet demand."

C2950-3 3/10/82

ecisions

The new agency media mixers

Is the numbers game fading away?

[illegible] marketers go retail

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WASHINGTON DC 20014

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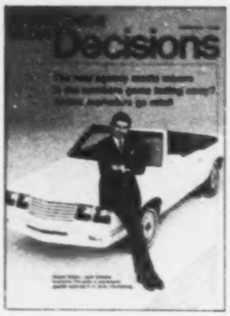

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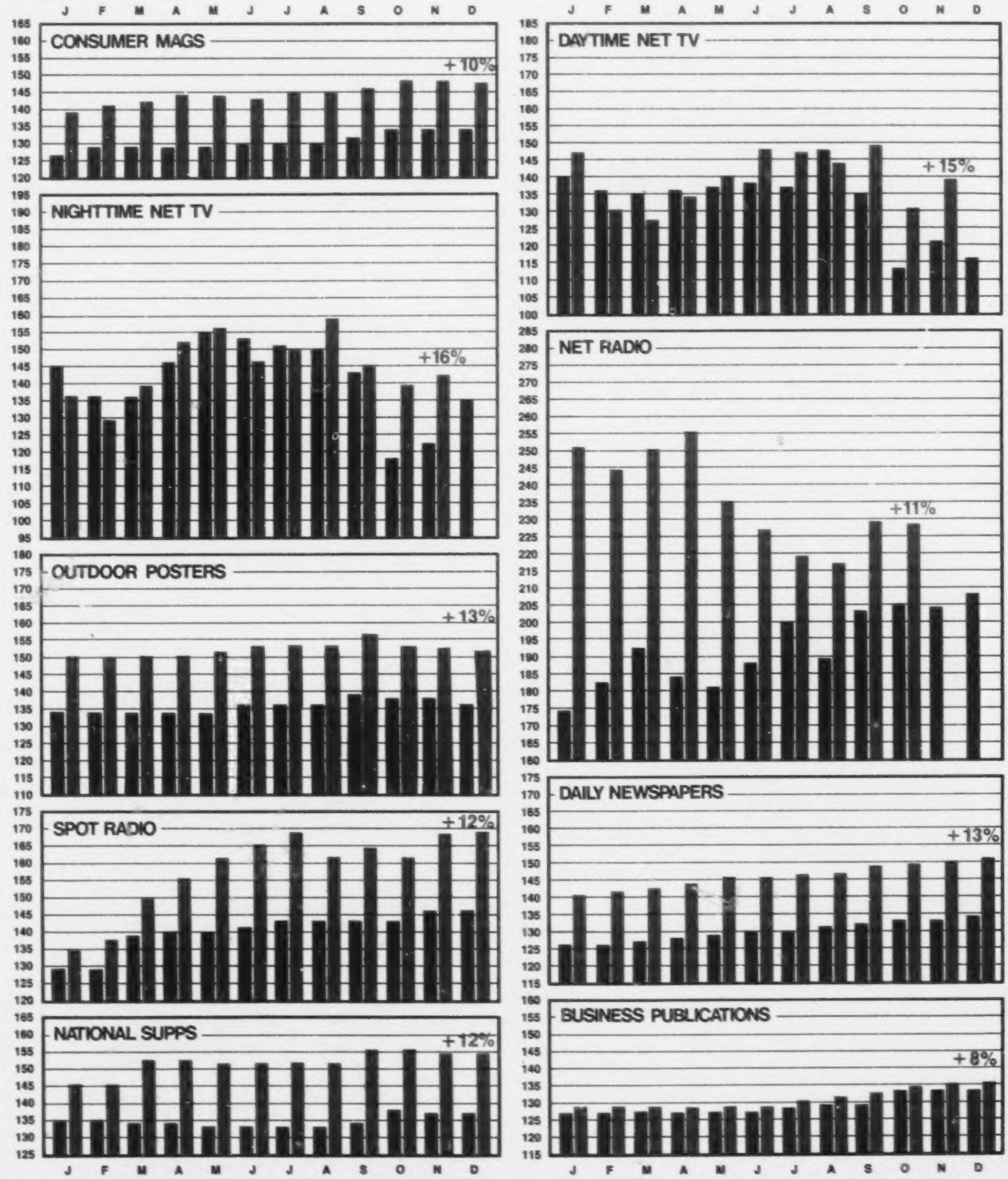
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page,

COST TRENDS
a Decisions analysis

Pricing for daily newspapers moved up slightly again, and by year end, was 13% ahead of the year-end figure for 1980. The Newspaper Advertising Bureau reported in January that November advertising had reached $1.79 billion, a 10.6% increase over the same year in 1980. National advertising was the leader with a 15% gain.

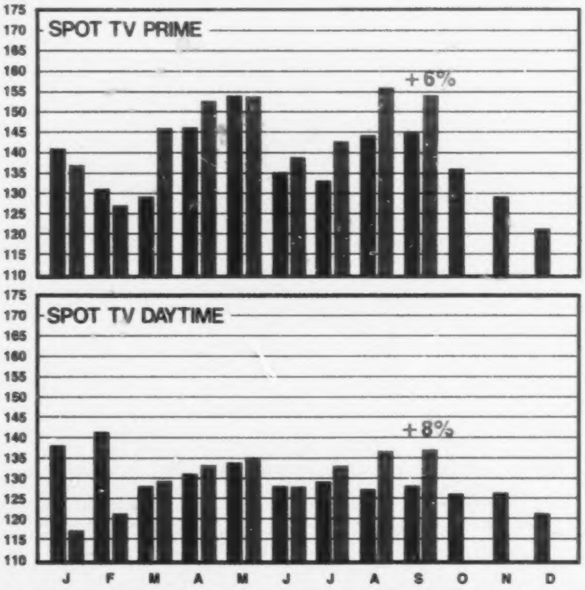
Television's viewing levels took a dramatic jump in 1981, as Nielsen data shows daily viewing levels at seven hours and sixteen minutes, fifteen minutes more than the record set for December 1979. That brings the year to date average to six hours, forty five minutes, nine minutes ahead of 1980.

Business publications continued to post gains over 1980, jumping 8% in December, a climb of 3% over the November posting. The overall increase is still 1% below the forecast of 9% for the year.

Network radio levelled off at 11% after some startling price advances in the first half of 1981. The pressure of increased competition from other new networks coming on line is gradually being felt, and continuing reports should show increases.

Spot radio re-established its firmness by year end, after finding some of its price strength erroded by network. But the average for the year places it slightly under projections for 1981.

Price advances for primetime and daytime spot tv continue to be modest, running under forecasts of a 9% increase for 1981. But fluctuations in the medium's cost are likely to be the story for the remainder of the year, still uncharted.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

In the TAMPA BAY MARKET* The Tampa Tribune-Times offers advertisers THE LOWEST

CPM

PROSPECTS in the buying ages and higher income households!

Find out why the Tampa Tribune-Times is the quality buy in the Tampa Bay market. Just send us your business card and we'll mail you our latest market brief, "The Quality Buy."

THE TAMPA TRIBUNE
Morning and Sunday

The Tampa Times
Evening and Sunday

Send to: Byron Taggart,
General Advertising Mgr.
Tampa Tribune-Times,
P. O. Box 191,
Tampa, Florida 33601

*The dynamic Tampa Bay market is comprised of Hillsborough, Pasco and Pinellas Counties.

The Quality Buy

What did you say? What did he say?

When was the last time you had a meeting with a sales person that focused primarily on qualitative factors — not quantitative?

Have I made my point?

Survey research is not perfect and media research, specifically, has more problems than I care to enumerate here. One of my favorite quotes is — "my goal in life is to have my research data *consistently incorrect!*" Perhaps someday it will be. But in the meantime we should remember to use research as a "lamp post for illumination, and not the way a drunk uses it — for support." ■

> "**Think about your last conversation with a rep who *didn't* get the business. What did you say? What did he say?**"

PLAYBOY: In cautionary times, the best way to build share of market is by concentrating advertising in the largest, most efficient media. PLAYBOY is first among them.

In good times, you build your advertising programs in the same media to maximize profitability. Again, PLAYBOY is your basic buy.

The reason is simple. When you advertise in PLAYBOY, month after month, you reach almost 15 million men—men who buy an astounding one-quarter of all spirits products. Men with a lust for life—and the means to live it well.

Which is why, good times or cautionary, the power of PLAYBOY is irrefutable.

The Playboy reader. His lust is for life.

Source: MRI, Fall 1981. © 1982 by Playboy.

TELEVISION

by BARRY KAPLAN

vice president/associate director, media information and analysis, Ted Bates, New York

Nielsen's report on consumers and viewers of pay cable homes

Ever since Nielsen (NTI) began issuing their quarterly Cable Tv Status Report two years ago, the industry has been able to monitor the overall effects of increased cable penetration on traditional viewing patterns. This illuminating report is essentially a retabulation of the same sample which provides the national Nielsens, those "magic" numbers which are so vital to the selling and buying of network tv commercial availabilities. What it does provide, in brief, is a distribution of household viewing by program source (network affiliate, pay, cable origination, independents, etc.) among three defined universes — pay, basic and non-cable households.

Pay cable homes are "super" consumers

I'm going to focus primarily on the pay cable universe, i.e. those cable subscribers who also purchase one (or more) of the *premium* pay services (HBO, Showtime, The Movie Channel, etc). Nielsen describes these households as:

- larger, more likely to contain children and teens;
- having younger household heads;
- being more affluent.

In essence, these households appear to be among the best prospects for package goods (and other) advertisers. To further illustrate this, a number of special tabulations of the Fall 1981 MRI data base were produced. The analysis consisted of crossing product usage (for a randomly selected group of categories) by pay-cable subscription status, and the results were quite predictable. *In general,* adults living in pay cable homes are more likely to be users/purchasers of more packaged goods categories than their non-cable subscribing counterparts:

Product category	Pay cable subscriber (Index total U.S. = 100)
Regular beer	113
"Light" beer	138
Imported table wine	136
Toothpaste	102
Deodorants	102
Vitamins (adults)	107
Vitamins (childrens)	124
Suntan lotions	124
Chewing gum	107
Candy bars	105
Table syrup	111
Canned dog food	125
Canned cat food	141
Children's toys/games	117
Video recorders	222
Video games	183

As you can plainly see, pay cable subscribers are, for a variety of product categories, important customers. For mass usage categories such as toothpaste or deodorants, the pay cable indices for heavy category users (i.e. those users accounting for a disproportionately high amount of consumption) are 114 and 107 respectively. Obviously, a media schedule which does not deliver these prime prospects in their proper proportion should be a cause of concern to advertisers.

Network tv's performance against pay homes is deficient

This brings us back to network tv, the vehicle to which most major packaged goods advertisers allocate the lion's share of their media budget. The Nielsen Cable Status Report has documented network tv's "underdelivery" in pay homes (particularly during primetime) over the last two years, but until recently we've only been able to examine this "shortfall" generically (through published reports). However, since September 1981, Nielsen (NTI) has been including individual *program* performance against pay cable households in their regularly published Mar-

Household ratings by program type and daypart

Daypart/program type	Average HH rating Total U.S.	 Pay cable	Pay cable index (U.S. + 100)
All primetime (S-S)	17.3	14.9	86
General drama	18.5	15.3	83
Suspense & mystery drama	15.5	13.3	86
Situation comedy	18.0	16.1	89
Feature films	16.7	12.9	77
Specials	15.7	13.4	85
Early evening news (M-F)	13.3	9.1	68
Late fringe entertainment (M-F)	5.5	5.6	102
All daytime (M-F)	6.2	6.0	97
Daytime drama (soaps)	7.1	7.1	100
Quiz/game shows	5.1	4.4	86
Situation comedy	5.1	4.6	90
Weekend sports	14.5	15.2	105

Note: Although December '81 data were used for this exhibit, it is consistent with the findings of the September-November '81 MSA Reports.

ket Section Audiences (MSA) report. The accompanying table includes data extracted from the December 1981 (November 23-December 20) MSA report for a variety of program types/dayparts.

The implications of these data should be quite alarming to network advertisers. *Primetime* programing underdelivers pay households by 14% overall when compared to total U.S. performance, and while there is some variance by program type, little of it is encouraging.

Interestingly, the performance of feature films produced the lowest index. This is not entirely unexpected, since these homes do have the opportunity to view more current, uncut (including R rated) films without commercial interruption. In fact, during the November 1981 "sweeps" period, the networks scheduled six "blockbuster" films which had previously appeared on HBO and/or Showtime. Not surprisingly, the average rating delivered by these films in pay homes was 39% lower than against total U.S. homes, and please note we're talking about first run/season performance here, *not summer reruns*.

Except for early evening news programs (The "68" index probably indicates the influence of young people with their preference for non-news programing), other major dayparts do not fare so badly. Weekend sports (primarily football in December) "overdeliver" pay homes 5% while daytime and late fringe network's performance is virtually on a par with the remainder of the tv universe. However, when examining the program types which are part of daytime network, it appears that only the "soaps" *adequately* deliver the pay cable universe.

Conclusions

Obviously, pay cable subscribers are important consumers for the vast majority of products/services, and even if their consumption/usage of a given category were only "average," their underdelivery by most network

The big buy that sells for you in small markets

WY SD MN NE IA IL CO KS MO NM TX OK AR

Capper's Weekly

$28 Billion in retail sales . . . 488 non-metro C & D counties in states of Iowa, Kansas, Missouri, Nebraska, Colorado and Oklahoma.

Source: Sales & Marketing Management, 1981

75% of Capper's readers do not read a major-metro daily newspaper. Source: Central Research Corp. 1981

Capper's Weekly Milline $9.19

Compared To . . .

Small Town Dailies Average Milline $41.73

(Daily Newspapers Under 10,000 Circulation In The Six States) Source: S.R.D.S. 1/12/82

Capper's Weekly is the 3rd largest newspaper buy in this 6-state region with an effective circulation of 418,683.

Nobody delivers the wealth of small town and rural areas like . . .

Capper's Weekly

IOWA
KANSAS
MISSOURI
NEBRASKA
COLORADO
OKLAHOMA

THE REGIONAL NEWSPAPER THAT'S DIFFERENT

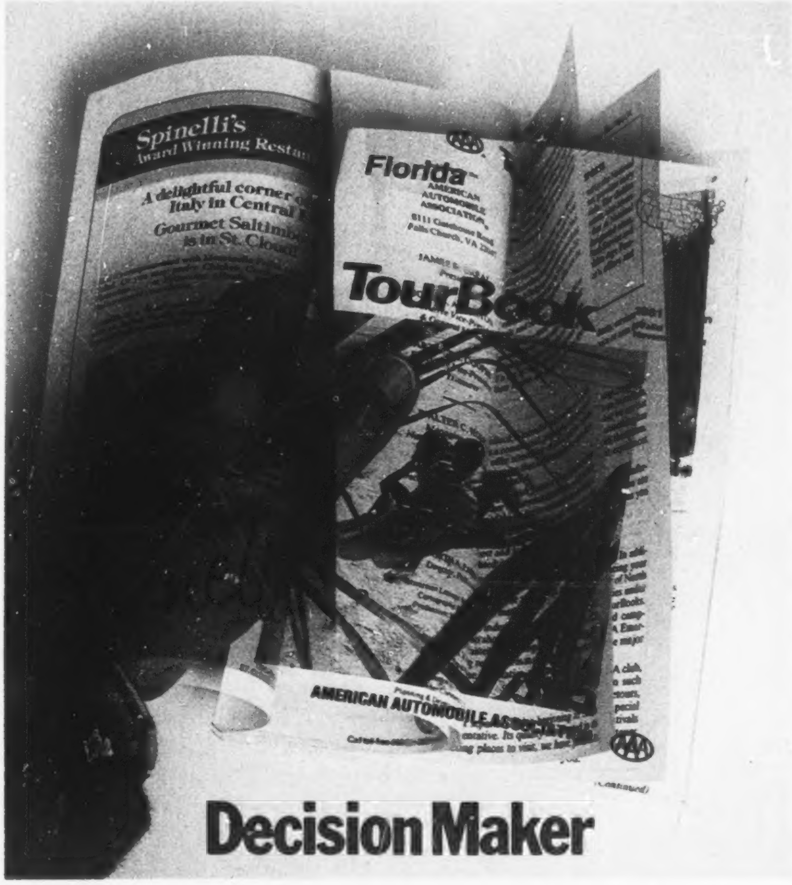
Represented by: STORY & KELLY-SMITH, INC.
Write or call for a copy of the 1981 Audience Study.
Capper's Weekly, 616 Jefferson St., Topeka, Ks. 66607 (913) 295-1102.

programing (especially primetime) should be as much of a cause for concern to advertisers as network's traditional underdelivery in a significant number of major markets.

While Ted Bates has offered a "solution" to the problem of primetime network's shortfall in pay homes (an *annual* cutback of 5% in primetime network spending and investment of these dollars on "superstations") it does not mean that there are no other steps which could be taken to *alleviate* the problem.

We further recommend that a network program's performance in the pay cable universe be considered along with all other pertinent factors in the buying process, especially during the "upfront" buying season. Of course this means that for new programs with no past performance data available, a method of predicting performance in pay homes should be developed. (Bates is currently designing a model to do this.)

I would like to close by mentioning that the problem we've discussed here is not going to go away. In the November 1981 Nielsen (NTI) sample, pay cable penetration was clocked at 18%, up 38% from a year ago. If we're to believe the predictions of many industry prognosticators, this percentage will nearly double over the next five years, and while one cannot predict with certainty how these new pay subscribers will distribute their viewing, only an eternal optimist (or a network executive) would not expect their viewing of network fare to decline. ■


Spinelli's
Award Winning Restau
A delightful corner of Italy in Central
Gourmet Saltimbocca is in St. Cloud
Florida
TourBook
AMERICAN AUTOMOBILE ASSOCIATION
Decision Maker

Across America, AAA members and their families read our TourBooks while they decide on how to spend their travel dollars. In fact, over 21 million were requested just last year. Inside, the advertising helped readers make intelligent buying decisions on a variety of services and products.

What kind of people requested our TourBooks? Over half have completed college, and average household income is over $25,000. And if you're looking for people on the move, our members drive 60% more than other motorists.

For even greater budget mileage, we offer you 23 geographical editions, and the lowest cost-per-thousand among travel-related publications.

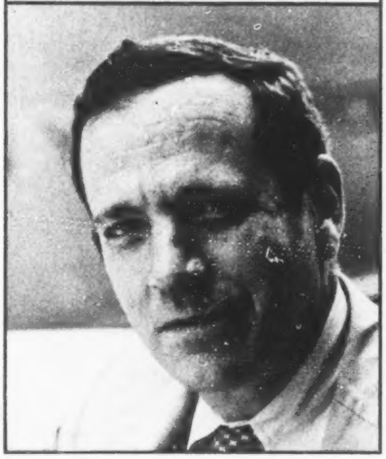
Let us bring your message to Americans on the move and ready to make spending decisions. For further information, call (703) 222-6172, or write: AAA TourBook Advertising, Department MD, 8111 Gatehouse Road, Falls Church, Virginia 22047.

Americans on the road turn to us.

AAA

©1982 American Automobile Association

BUSINESS PRESS
by MICHAEL A. WALSH
vp-media Aitkin Kynett, Philadelphia.



Today's representatives

At a recent gathering of advertiser, agency and media people, I had the good fortune of running into an old media friend who formerly called on Aitkin-Kynett for a major business publication. Since that time this gentleman has moved up the corporate ladder in his publishing company and rarely gets into Philadelphia.

During our conversation, he raised the question of the quality of publication representation today versus 10 years ago. His question obviously concerned the representation of his company's publications, but in answering it I naturally thought of all the representatives who call on us.

As a result of this meeting, I have

Brand Report 74:

Air Travel

The day of judgment has arrived for America's major airlines. In the aftermath of de-regulation and the PATCO strike, industry profitability has taken a tail-spin. Marketers have one goal: fill planes at any cost. But heavily discounted fares have cut into the bottom line and there seems to be no end to the scramble for customers. On the bright side, regional carriers are enjoying brisk gains — often at the expense of the larger airlines. Important media are newspapers and radio. Spot tv gets a fair share of the dollars. Commercials stress destination rather than price.

Retail.

In a word, that's the heart and soul of airline marketing in 1982.

In blistering battles, fought mainly in newspapers and on radio, each major domestic carrier has trumpeted its discount fare — often reflecting the fare of a rival on a choice route. The objective is to fill the planes. But price cutting has led several major carriers to question the efficacy of retail selling on the basis of price in the airlines business.

They are finding that in their scramble to fill seats, profits are taking a tumble, with a majority of passengers now flying at discount rates. Both Eastern and TWA reported losses in the fourth quarter of 1981. In each case, top management blamed this on escalating discounts.

Recent examples of the discount domino game involved Pan Am, Delta, Eastern, Air Florida and TWA.

In late December, Delta filed a $77 one-way fare between New York and Florida at the Civil Aeronautics Board. Pan Am and Eastern quickly found out and filed their own. On a Monday — the "best food day" in the retail airlines business — New York dailies were filled with $77 offers to Florida. Not to be forgotten, Air Florida ran full page ads with its own $77 special sweetened by an offer of gift certificates (S&W green stamps). TWA then hopped on the bandwagon, offering a free car for four days with its $77 price tag. (This month the major carriers pushed their Florida fare back up to $135 because profits were suffering at the $77 level.)

But discount fever has not only affected pricing on the lucrative "corridor'' routes — such as New York to Florida or Dallas to Houston. Fares on trans-continental flights have also been sliced dramatically with a dampening effect on profits.

The ''product'' offered on trans-continental flights by some airlines is substantially different from what they offer on their short hauls. In short flights, the trend is towards no-frill simplicity, while longer flights are characterized by service, comfort, meals and drinks. TWA pioneered the ''business class,'' which was somewhat cheaper than first class but more expensive than coach. In response to this, other airlines began to discount their first class sections. The result: in many cases there is only a $5 spread between first class and coach. This so-called ''accordion'' effect is badly hurting carriers which previously capitalized on the lucrative first class service.

Marketers who have recognized the destructive aspects of the discount battle think it will end only when the country limps out of its current recession. Says Warren Rucker, ad director for Continental: ''When the economy picks up and when we get out of this era of sluggish traffic, the more chaotic aspects should be taken out.'' However, he has lately noticed some reversals in the ''monkey-see, monkey-do'' trends in pricing: ''In recent months I've personally noticed a little more restraint — now we're willing to take another day or two before jumping in and matching.''

Discounting and the recession are only two of the myriad of problems plaguing the industry. Others include the price of jet fuel, which has galloped since 1974; the expense of rebuilding out-moded fleets; and competition from the smaller more agile regional carriers which were given new blood after de-regulation went into effect over two years ago. These mini-carriers are also beginning to feel the pinch of recession.

Six key marketing trends

What follows is a brief analysis of some of the major trends gripping the airline industry in 1982 and how they are influencing marketing and media.

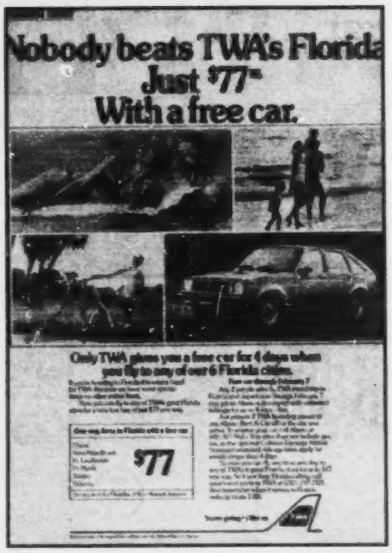
The legacy of de-regulation depends on the point of view of the carrier. It was like a bolt of electricity for smaller carriers which, during the CAB's tutelage, were forced to compete with the majors on the CAB's terms. The CAB set the price on a particular route and determined which carriers were allowed to run that route and which ones were not. Further it forced the major carriers to serve marginally profitable routes which would have been profitable for a local carrier specializing in such a route.

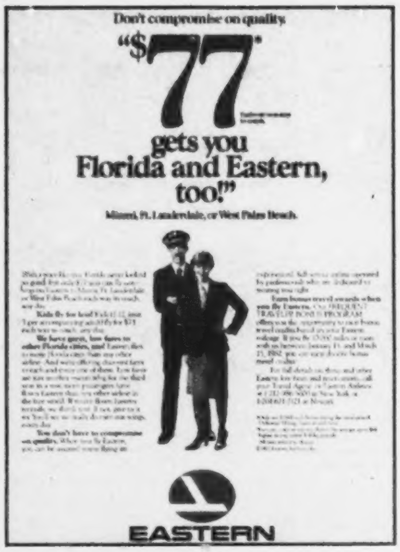
Several things happened when the CAB was dissolved: the majors were no longer required to run planes to obscure destinations, pricing guidelines were eradicated; airlines were allowed to change fares with the minimum of interference and time lag

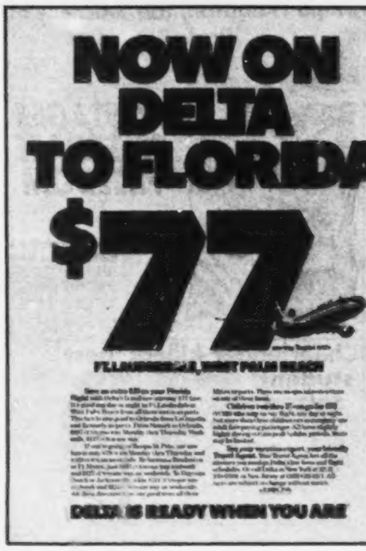
Air travel market 1980 media expenditures (in thousands of dollars)

Airline	Total	Newsp.	Newsp./foreign travel	Magazines	News supps.	Net tv	Spot tv	Net radio	Spot radio	Outdoor
Air Florida	1,339.1	1,057.0	—	—	—	—	114.9	—	142.3	24.9
American	41,752.6	14,673.0	2,485.8	3,875.3	171.5	1,056.3	10,948.7	—	7,977.4	564.6
Braniff	8,706.9	2,240.0	2,741.8	—	—	—	3,453.8	—	88.4	182.9
Continental	13,114.8	3,176.4	1,512.4	396.9	—	—	1,957.8	—	5,738.0	333.3
Delta	34,882.4	18,307.9	1,825.0	790.4	—	—	4,597.5	—	8,050.0	1,311.6
Eastern	39,302.5	16,632.0	3,181.7	3,902.6	188.5	1,963.4	6,181.5	—	5,342.1	1,910.7
Frontier	1,946.4	1,573.2	—	1.8	—	—	81.7	—	251.1	38.6
Hughes Air West	5,186.6	1,608.0	455.0	213.0	—	—	839.7	—	1,775.5	295.5
National	5,093.4	3,693.0	746.5	26.9	—	—	282.5	—	301.9	42.5
Northwest Orient	7,597.6	2,588.0	1,523.1	458.8	—	—	1,132.8	—	1,894.7	.4
PSA	4,195.4	1,827.0	126.7	—	—	—	772.6	—	1,113.3	356.0
Pan American	18,910.6	2,136.0	5,203.3	1,289.9	—	2,396.9	3,073.3	—	4,646.2	165.0
Republic	7,835.7	3,828.0	276.4	498.2	—	—	732.7	—	2,399.1	101.3
Trans World Airlines	34,127.6	12,353.2	5,073.8	1,705.8	28.1	1,493.1	8,810.4	—	4,637.0	26.2
United	47,316.8	12,834.2	3,197.8	1,989.8	1.0	8,491.0	12,384.1	—	8,149.0	269.9
USAir	6,848.9	2,399.2	150.0	530.9	—	189.3	1,952.4	—	1,264.0	359.1
Western	6,906.5	1,743.5	1,502.6	251.5	—	43.9	1,738.1	—	1,560.0	66.9
World	6,650.2	2,407.6	2,603.0	—	—	—	309.6	—	1,330.0	—

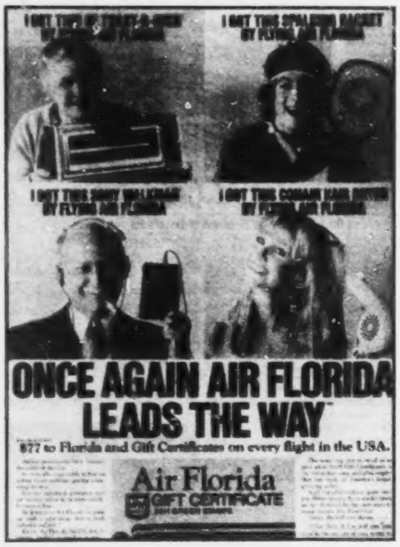
Sources: LNA/BAR; Media Records; RAB/RER.

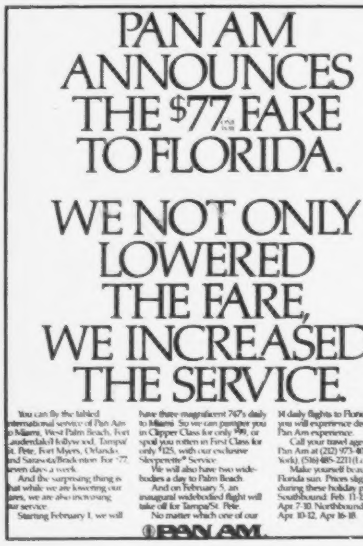

Nobody beats TWA's Florida
Just $77*
With a free car.
Only TWA gives you a free car for 4 days when you fly to any of our 6 Florida cities.
$77


Don't compromise on quality.
"$77 gets you Florida and Eastern, too!"
Miami, Ft. Lauderdale, or West Palm Beach.
EASTERN


NOW ON DELTA TO FLORIDA
$77
DELTA IS READY WHEN YOU ARE

The mutually destructive discount battle started hopping on the Florida corridor when Delta slashed its fare over 50%. Competitors saw no other recourse but to do the same.


ONCE AGAIN AIR FLORIDA LEADS THE WAY™
$77 to Florida and Gift Certificates on every flight in the USA.
Air Florida
GIFT CERTIFICATE


PAN AM ANNOUNCES THE $77 FARE TO FLORIDA.
WE NOT ONLY LOWERED THE FARE, WE INCREASED THE SERVICE.
PAN AM.

You can fly the fabled international service of Pan Am to Miami, West Palm Beach, Fort Lauderdale/Hollywood, Tampa/St. Pete, Fort Myers, Orlando, and Sarasota/Bradenton. For $77, seven days a week.

And the surprising thing is that while we are lowering our fares, we are also increasing our service.

Starting February 1, we will have three magnificent 747's daily to Miami. So we can pamper you in Clipper Class for only $99, or spoil you rotten in First Class for only $125, with our exclusive Sleeperette® Service.

We will also have two wide-bodies a day to Palm Beach.

And on February 5, an inaugural widebodied flight will take off for Tampa/St. Pete.

No matter which one of our 34 daily flights to Florida you fly, you will experience decades of Pan Am experience.

Call your travel agent or Pan Am at (212) 973-4000 (New York), (516) 485-2211 (Long Island).

Make yourself beautiful in the Florida sun. Prices slightly higher during these holiday periods: Southbound: Feb. 11-15, Apr. 1-3, Apr. 7-10. Northbound: Feb. 19-2, Apr. 10-12, Apr. 16-18.

so that a fare could now be registered and approved within twenty-four hours.

Regional carriers sprang up like flowers in spring. Like David versus Goliath, they immediately staggered the major trunks. Their product: extremely cheap, no frills, expeditious transportation between two relatively short-haul points. On corridors also served by the major trunks, the mini-carriers began to rack up gains because of their drastically reduced fares. Majors were brought to their knees in efforts to compete — often uneconomically.

The mini-carriers' advantages: as a rule, they have smaller, more fuel efficient plans; their overhead is lower because of cheaper labor costs. Some of the more successful practitioners are: People Express, Southwest, Midway, Pioneer, Air Florida, New York Air, and Texas International.

Route expansion for the major carriers immediately followed deregulation and is still going on.

Major trunks bolstered their hub cities by linking them with previously unserved cities.

The trans-continental market, which before was served by only a handful of carriers, now has eight. Explains one industry expert: "The airlines are using their planes in places where they can cover marginal costs most fully, and, maybe in the short run, stimulate some traffic."

In these times, when most of the major airlines' earnings are severely pinched, they have to make efficient and proper use of their assets.

Further, most carriers have a tremendous overcapacity in wide-body jets which are uneconomical on short flights but not on the long hauls.

Going trans-continental also lessens the airlines' dependence on seasonality of business. Eastern has been getting the lion's share of its business during the winter months on its north-south service. By flying east-west and international, it hopes to lessen the severity of this business cycle.

The "hub city" idea has been adopted by one and all. Delta pioneered the idea; now others have seen the light.

The hub is the market stronghold or fiefdom of any given airline. The biggest carriers have several hubs, weaving their webs of strength across the country.

But most operate from one central city: for United, it's Chicago; for Eastern, Miami and Atlanta; for Delta, Atlanta; for American, Dallas; for USAir, Pittsburgh; for Republic, Detroit; for Continental it's Los Angeles.

"United knows, if you've only seen Honolulu, you haven't seen Hawaii."
Fly the friendly skies of United.

Bill Alenson, United's new advertising director, cites the importance of the Hawaiian route for his airline.

This allows the airline to give continuous service to customers.

For instance, when the passenger goes from Los Angeles to Charleston, South Carolina, he is able to fly Eastern all the way — with one stop at hub city Atlanta.

Hubs also provide the airline with a significant marketing advantage; the passenger no longer must change airlines at major airports to reach his destination. Should he consider doing so, the airline offers incentives to change his mind: a continuing flight on the same airline often only costs a few dollars extra. Those who fly the *most* miles on a given carrier are rewarded by free flights in the future or reduced fares. American, TWA, Eastern and United have specialized in this.

The PATCO strike hurt carriers that put all of their eggs in one basket in the form of hubs. No airport has been operating at full capacity, and as a result, many carriers have been forced to cut back on daily flights anywhere from 10% to 25% depending on traffic volume at the airport. Carriers are getting around the problem; rather than send out small aircraft, the larger planes in the fleet are being used to accomodate passenger demand.

Media usage in the airline business has increasingly shifted to newspapers. As price advertising has become more frenetic, more airlines are pouring dollars into newspapers to promote discount fares and accompanying promotions. Radio has also been a recipient of more media dollars.

The most recent figures from Media Records, the firm which records newspaper expenditures by market, shows the dramatic change: in 1979, all carriers spent a total of $147,793,000 in the newspapers surveyed by Media Records — in 1980 they spent $186,793,000, a 26% increase.

According to decision-makers who were willing to respond to the question, budgets for all carriers will be flat in 1982. But allocation of dollars will change.

Television, these sources say, will increasingly be drained as more money is channeled to newspapers and radio. Magazines don't stand to fare well in this competitive environment either.

Net tv is proving efficient only for those carriers who have national systems — and even they are re-thinking their network buys. Corporate, image, and umbrella advertising is best suited to network, buyers claim. But in an environment where the retail approach is most valued, network advertising is best suited to the leisure travel market — whose numbers have been precipitously dropping during the recession.

Barter has become a novel approach to saving money in the face of flat or declining budgets, although many advertisers frown on this approach.

Continental, according to ad director Warren Rucker, has the most organized barter program. In Continental's case, all radio stations are approached on a cash/barter basis ($2 million out of a world-wide $20 million budget will be bartered in '82). Simply put, many of Continental's spots are purchased with airline seats. Station management has access to seats like any line of credit: when the value of spots traded runs out, so do the seats.

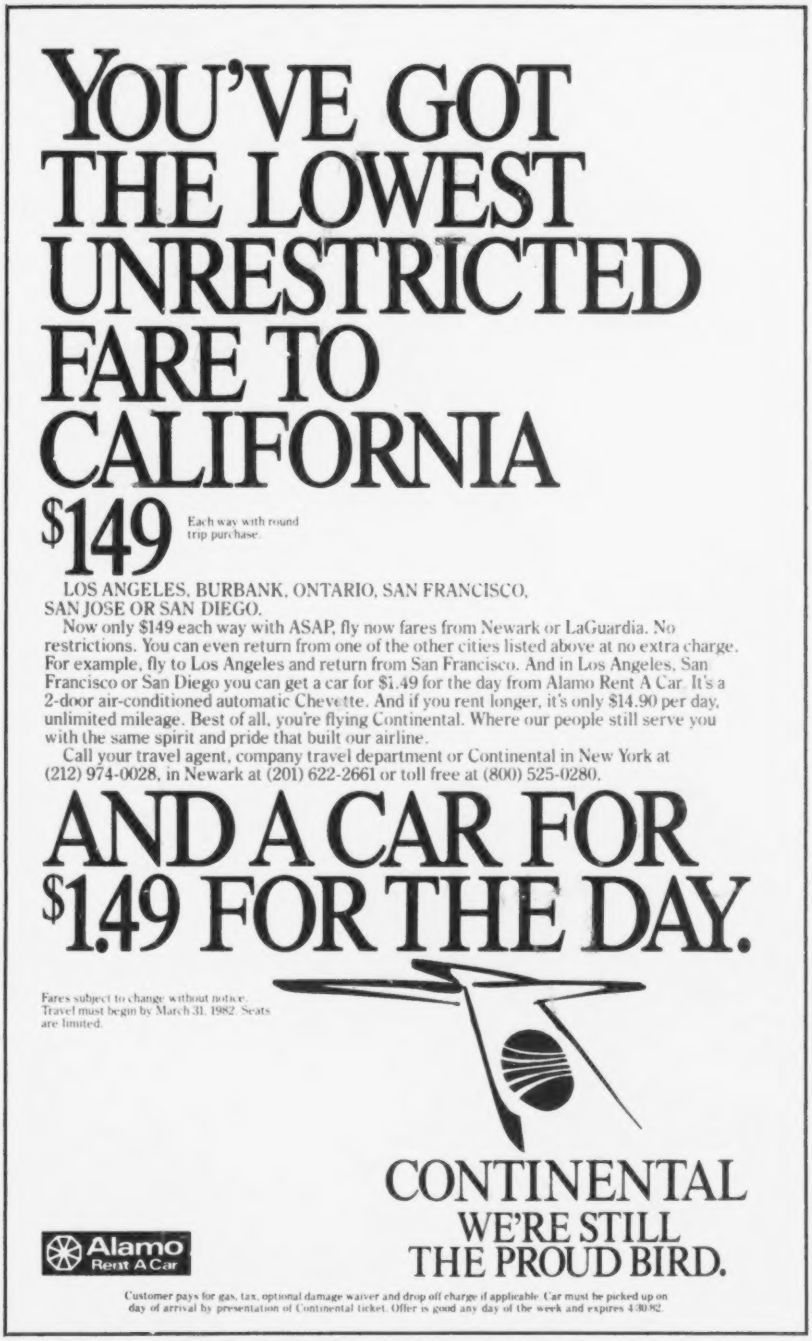
TWA recently introduced "a legitimate brand new product," says a spokesperson for the airline, in a business where product innovation is often limited to free headsets or meals. The airline's wide-bodies were remodeled to accomodate business flyers — seats are larger, and the new cabin, couched between 1st class and coach, is roomier. The Ambassador Class was successful in Atlanta flights and in Europe.

Targeting the business flyer is not unusual; all carriers recognize the importance of building brand loyalty among frequent flyers — who are often business travellers.

Competitors caused trouble for TWA, using discounts to lure business flyers to their own first class sections. Prices on first class — or "front of the bus" — dropped and TWA was forced to respond. This is frustrating for TWA, says the spokesperson, because "trial of our new product is definitely taking place."

Advertising incorporates both price and comfort messages. Wilt Chamberlain and Kareem Abdul-Jabbar sit side by side in plugs for Ambassador comfort. Price quotes for certain routes are sometimes incorporated into the copy.

Our source wouldn't comment on TWA's media spending habits but said



YOU'VE GOT THE LOWEST UNRESTRICTED FARE TO CALIFORNIA

$149 Each way with round trip purchase.

LOS ANGELES, BURBANK, ONTARIO, SAN FRANCISCO, SAN JOSE OR SAN DIEGO.

Now only $149 each way with ASAP, fly now fares from Newark or LaGuardia. No restrictions. You can even return from one of the other cities listed above at no extra charge. For example, fly to Los Angeles and return from San Francisco. And in Los Angeles, San Francisco or San Diego you can get a car for $1.49 for the day from Alamo Rent A Car. It's a 2-door air-conditioned automatic Chevette. And if you rent longer, it's only $14.90 per day, unlimited mileage. Best of all, you're flying Continental. Where our people still serve you with the same spirit and pride that built our airline.

Call your travel agent, company travel department or Continental in New York at (212) 974-0028, in Newark at (201) 622-2661 or toll free at (800) 525-0280.

AND A CAR FOR $1.49 FOR THE DAY.

Fares subject to change without notice. Travel must begin by March 31, 1982. Seats are limited.

CONTINENTAL
WE'RE STILL THE PROUD BIRD.

Alamo Rent A Car

Customer pays for gas, tax, optional damage waiver and drop off charge if applicable. Car must be picked up on day of arrival by presentation of Continental ticket. Offer is good any day of the week and expires 4/30/82.

The Trans-continental market, once served by only a few carriers, now is criss-crossed by over eight.

that "all intelligence says that carriers are holding the line on budgets. What seems to be happening is a strong shift to newspapers and radio." TWA, he continues, uses spot tv for service messages.

Contrary to overall industry habit, TWA uses a broad range of magazines, through budgets are not hefty (LNA shows 1981 buys through November at $327,800). *Ebony, Black Enterprise, Working Woman, Newsweek, Time, Forbes,* and *Fortune,* among others, were used last year.

Delta's advertising is dominated by "our incredible bent towards retail," according to ad director Lee Sport. Indeed, Delta has set much of the pace in the retail scramble.

Delta shocked its competitors on the Florida corridor by reducing coach fares up to 51% this Christmas, according to spokesman Jim Ewing. The concept was called "No-hassle" and it represented Delta's head-on commitment to compete with the "new guys who had come in with low, low fares," says Ewing.

Delta's advertising centers on three concerns of the traveller: when do you go, where are you going, and how much do you want to spend? Tv, radio and newspaper advertising address these; tv and radio sell vacation and destination as well.

Magazine advertising, centered in *The New Yorker,* the newsweeklies, *People, Southern Living,* and *Sunset* tout Delta's "professional" qualities.

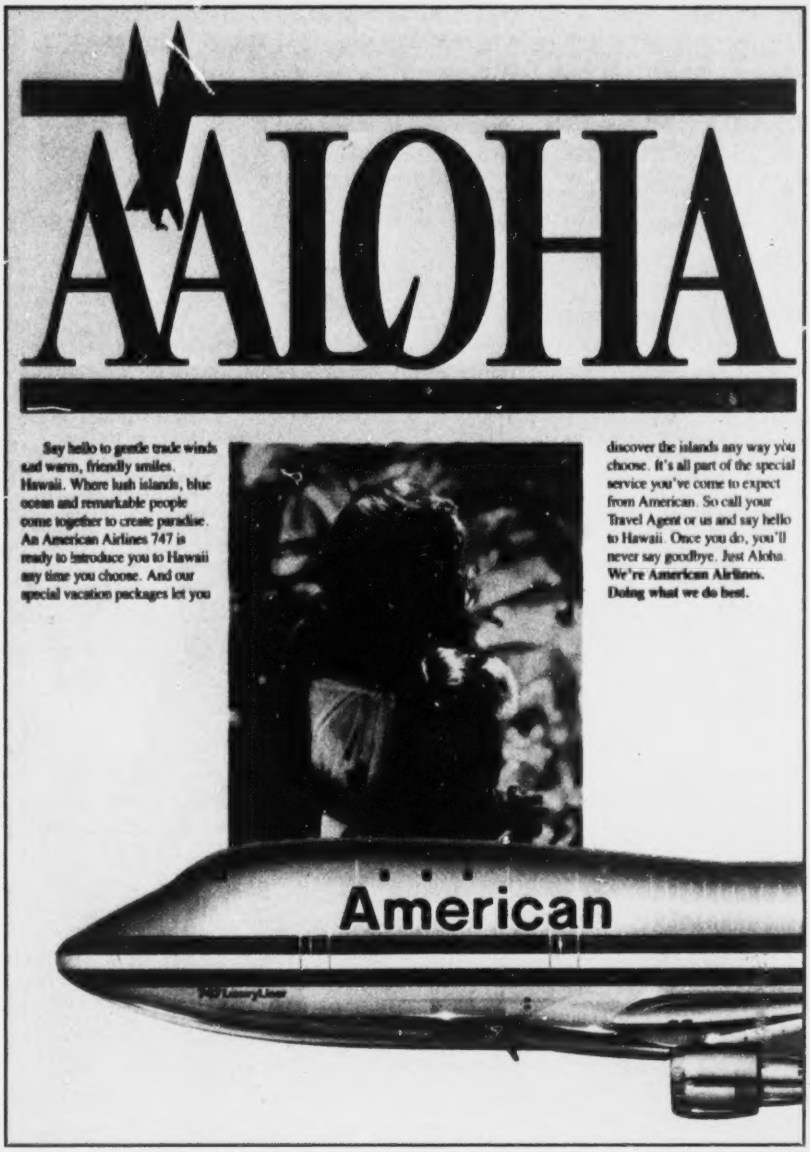
According to one observer, Delta is better prepared than any other carrier to meet the demands of the future. Its immediate response to the fuel crunch of 1974 was to buy smaller, more fuel efficient planes and there's little doubt that the smaller planes are best suited to the retail nature of the business today. 727-200's are replacing DC-9's for short haul traffic.

Pan Am, entering the darkest days in its 55-year history, is inscrutable to some and a paradox to others. Its behavior in the ad agency world (firing two agencies in one year's time) is explained by its dismal financial record, according to some observers. "You need to show the board that things are changing, and one of the easiest ways to do this is by changing agencies," says one.

Pan Am recently reported the heaviest full year loss in its history. Operating loss was $384 million, almost triple its 1980 loss, but net loss was $18 million because of the Pan Am building sale.

The airline's strategy focuses on hard-sell promotion and discount — similar to Chrysler at its nadir. To one insider, this retail approach bears the stamp of new chairman C. Edward Acker, who had success with this at his previous airline, Air Florida.

According to this insider, who preferred to remain anonymous, this retail approach has spelled problems for Pan Am. One year ago, he says, Pan Am had reached a critical point: service had deteriorated and frequent flyers took their business elsewhere. When


ALOHA
American

Say hello to gentle trade winds and warm, friendly smiles. Hawaii. Where lush islands, blue ocean and remarkable people come together to create paradise. An American Airlines 747 is ready to introduce you to Hawaii any time you choose. And our special vacation packages let you discover the islands any way you choose. It's all part of the special service you've come to expect from American. So call your Travel Agent or us and say hello to Hawaii. Once you do, you'll never say goodbye. Just Aloha.

We're American Airlines.
Doing what we do best.

Despite sun and fun, Hawaii is an increasingly tough market for airlines to crack because of the recession.

the company began to steadily improve service the new strategy "was to compete with discount traffic with the exclusion of the balance of the market" — namely the frequent, highly valued business flyer.

The retail approach is best known by Acker, who was appointed in September, 1981.

Acker's approach was at odds with some in middle management who wanted to win back the loyal passengers who had left. Says our source, "Pan Am didn't have a maintenance plan to sell the total product and there is little doubt that this has hurt the balance of their business."

Pan Am also made "a tactical error" when it failed to create an umbrella image for its total product.

Continental, like its brethren, concentrates much of its media fire power in its major hub markets. These are Denver, Los Angeles, and Houston. Radio and newspaper — with decreasing emphasis on tv — are used because "they have the shortest lead time and ad copy can be changed most quickly," says ad director Warren Rucker. Smaller secondary markets that feed into these hubs get supporting advertising but the difference is in frequency and size. Secondary markets like Orlando, Green Bay, Casper, and Grand Junction mostly see quarter-page units in the local press; large markets get half page units.

The plan allows for flexibility because of the volatility of the marketplace, according to Rucker. Should a competitor move in on one of its secondary markets Continental wants to be ready: Rucker claims schedules are then beefed up to defend the franchise. "There's nothing clean and neat about the business we're in," says Rucker. "Looking five weeks down the road is future planning for me. You're just spinning your wheels if you plan far out in the future."

Eastern is "re-examining a lot of things" according to ad manager William Dowse,

Preliminary evidence of new directions comes with the airline's heavier reliance on corporate advertising — with the tag line, "America's favorite way to fly." Dowse says the corporate thrust was given added steam after Eastern dropped Y&R for Campbell-Ewald.

The exigencies of the business are forcing this change, claims Dowse. Eastern's budget ($40 million in 1980, all media) is flat and maintaining brand awareness and share of voice are increasingly difficult in the crescendo of competition.

Dowse thinks maintaining brand image in such an environment is important — as well as maintenance of visibility in the all-important retail end of the business. The corporate umbrella strategy is getting broad play in tv (the Orange and Super Bowls) and in radio and print. Tv is also used in the winter to sell vacation spots.

Eastern's future media modifications will not be felt by newspapers, which will remain important in the airline's retail strategy.

Like Delta, Eastern has bombarded the industry with an enormous number of promotions and price reductions to boost traffic. More seats were added on all aircraft two years ago to increase the "load factor," or number of people on each plane.

Flights were increased from hub cities New York (where it is the number one carrier), Miami, and Atlanta; western destinations were bolstered as Eastern became a major factor in the trans-continental market.

South American

BUYING POWER...

...And their upscale lifestyles. Tap into this valuable market with the ABOARD group of inflight magazines.

Showcase your product or service within the pages of these prestigious bilingual publications carried by Latin America's premier airlines. Our readers reach for ABOARD to inform them about destinations, dining, shopping and more, all packaged in a quality editorial format.

Try us. You'll be traveling in excellent company.

Covering Latin America aboard: VIASA • LANCHILE • AEROPERU • AIR PANAMA • LLOYD AEREO BOLIVIANO • THE AIRLINE OF PARAGUAY • TACA

Aboard
Inflight Magazines

Published by: North -South Net. Inc.
2717 Ponce de Leon Blvd., Miami, FL 33134.
(305) 442-0752

Raleigh
Durham

Only 10 Metro Markets
in U.S. have as low
an unemployment rate
as Raleigh/Durham, N.C.

The News and Observer
THE RALEIGH TIMES
•
Durham Morning Herald
The DURHAM SUN

With one rate/one bill via

Branham
/NEWSPAPER SALES

All of this paid off: the "yield" — or average amount a passenger pays each mile flown — grew from 9 cents to 11 cents since 1979. But this growth was offset by increases in fuel prices and the discount craze.

Eastern's discount surge has been highlighted by its "Super 7" vacation package, its use of coupons, and its frequent-flyer bonuses. Eastern builds brand loyalty through a core of frequent fliers that travel over 200,000 miles per year. Says spokesman Tom Myers, "these people get a discount, a first class seat, or a free round trip, dependent on how many miles they travelled."

Coupons, introduced in January 1981 were given to all passengers and were good for 50% discounts on trans-continental flights. Coupons offered during the summer were good for $25 to $50. Coupons provided the traveller incentive to fly Eastern, but other carriers off-set this by accepting the same coupons on their own flights.

The "Super 7" vacation package, another Eastern innovation which Myers claims was widely copied, has flights to vacation spots. These are enhanced by the addition of hotel and car. The price per person runs about $375.

United is big on "Friendship" this year, a new program designed to net the short-haul traveller. This is United's response to the stiff competition coming from the small regional carriers, which have made tremendous inroads through fare reduction. Flights carry passengers between short points like Cleveland to New York or Portland to Seattle (none of the Friendship flights are trans-continental.)

Like the aggressive regionals, United made fares competitive, reconfigured aircraft seating to add more passengers, and increased the frequency of flights. Flights are now "no-frill," or, as spokesman Charles Novak says, "similar to a shuttle service."

Advertising stresses United's experience over the other carriers on the same route — and its "friendliness."

Tv is used mainly on the West coast, backed up by radio and newspapers, which are the flexibility factors in United's media strategy. East Coast markets primarily get radio in place of tv because of their smaller size (United has a minor presence in New York).

"Tv's purpose is to generate as much awareness as possible," says director of advertising and promotion Bill Alenson. "Newspapers lay down the offer." Spot radio is used in key markets to position United as a "low-priced" carrier. The same soundtrack is used on both radio and tv spots with actor Tom Poston in humourous sketches.

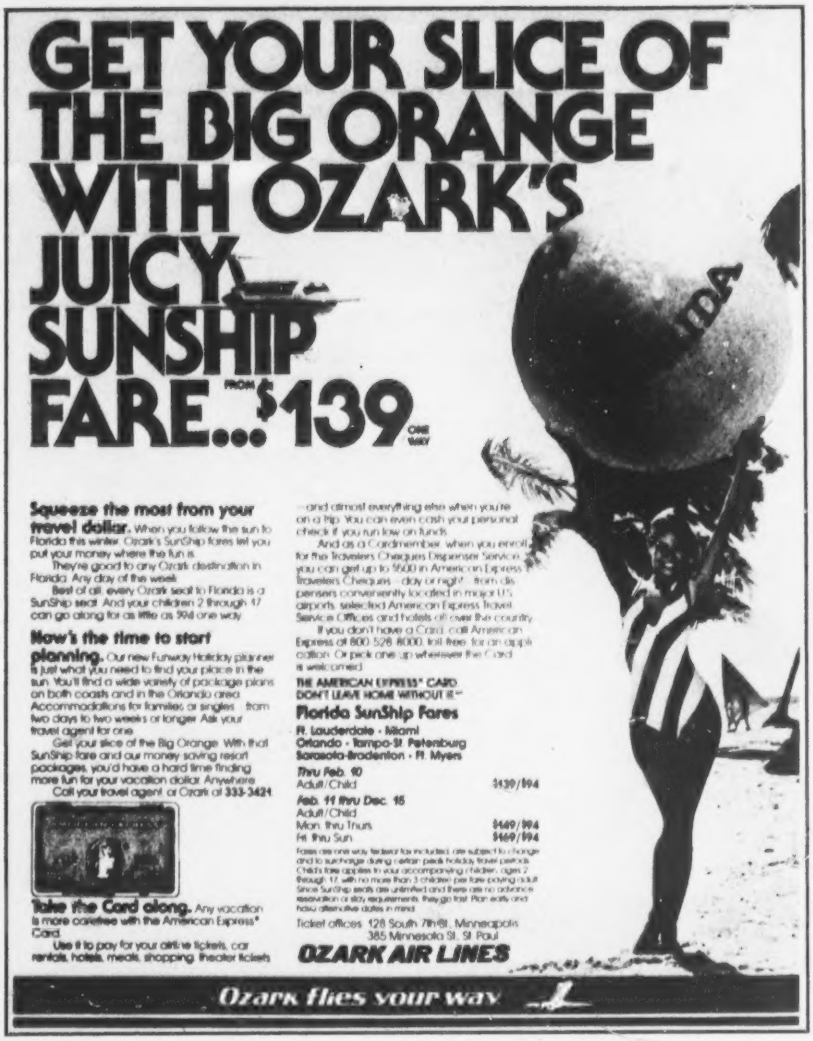
The business traveller is important to United. This individual makes five to ten trips per year, is between the ages of 25 and 54, and makes $25 - 30,000 plus. "We talk to them where ever we can find them," notes Alenson. Tv sports and news are important vehicles here.

For frequent flyers, United has the Mileage Plus program, which promotes benefits via direct mail. Travellers going over 80,000 miles annually get free trips or are up-graded from coach to first class. The frequent traveller also gains entry to airport clubs.

The leisure traveller is proving more elusive for United — a problem because its high volume leisure destinations like Hawaii and Flordia are experiencing depressed traffic. The Hawaiian route, hotly contested between United and American, is supported by tv spots and newspaper that sell vacation packages. United also sponsors tv events that tie in with program content; a recent example was its partial sponsorship of ABC's All-Pro Bowl held in Hawaii.

Republic is a big airline — possessor of the fifth largest fleet and the fourth largest in passenger revenue. But like the other giants in the sky, Republic is having its share of problems. It lost $53 million in 1981 because of slumping passenger loads and high interest rates, and is plagued by the original financial problems of its merged parts, Hughes AirWest, North Central, and Southern Airways.

When Republic was created from the union of North Central and Southern in 1979 (Hughes AirWest was added in 1980) it quickly asserted its presence in media. Republic's immediate challenge: to fill seats in the planes leaving from and arriving at its dozens of small markets.



GET YOUR SLICE OF THE BIG ORANGE WITH OZARK'S JUICY SUNSHIP FARE...FROM $139 ONE WAY

Squeeze the most from your travel dollar. When you follow the sun to Florida this winter, Ozark's SunShip fares let you put your money where the fun is.

They're good to any Ozark destination in Florida. Any day of the week.

Best of all, every Ozark seat to Florida is a SunShip seat. And your children 2 through 17 can go along for as little as $94 one way.

Now's the time to start planning. Our new Funway Holiday planner is just what you need to find your place in the sun. You'll find a wide variety of package plans on both coasts and in the Orlando area. Accommodations for families or singles — from two days to two weeks or longer. Ask your travel agent for one.

Get your slice of the Big Orange. With that SunShip fare and our money saving resort packages, you'd have a hard time finding more fun for your vacation dollar. Anywhere.

Call your travel agent or Ozark at 333-3421.

Take the Card along. Any vacation is more carefree with the American Express® Card.

Use it to pay for your airline tickets, car rentals, hotels, meals, shopping, theater tickets —and almost everything else when you're on a trip. You can even cash your personal check if you run low on funds.

And as a Cardmember, when you enroll for the Travelers Cheques Dispenser Service, you can get up to $500 in American Express Travelers Cheques — day or night — from dispensers conveniently located in major U.S. airports, selected American Express Travel Service Offices and hotels all over the country.

If you don't have a Card, call American Express at 800-528-8000, toll free, for an application. Or pick one up wherever the Card is welcomed.

THE AMERICAN EXPRESS® CARD
DON'T LEAVE HOME WITHOUT IT.℠

Florida SunShip Fares

Ft. Lauderdale • Miami
Orlando • Tampa-St. Petersburg
Sarasota-Bradenton • Ft. Myers

Thru Feb. 10
Adult/Child $139/$94

Feb. 11 thru Dec. 15
Adult/Child
Mon. thru Thurs. $149/$94
Fri. thru Sun. $169/$94

Fares are one way, federal tax included, are subject to change and to surcharge during certain peak holiday travel periods. Child's fare applies to your accompanying children, ages 2 through 17, with no more than 3 children per fare-paying adult. Since SunShip seats are limited and there are no advance reservation or stay requirements, they go fast. Plan early and have alternative dates in mind.

Ticket offices: 128 South 7th St., Minneapolis
385 Minnesota St., St. Paul

OZARK AIR LINES

Ozark flies your way

Newspaper ads stress price and schedule. This one broke in February and was backed up by tv, radio, and outdoor.

Campbell-Mithun, Inc. Minneapolis was assigned in late December and instructed to break a campaign within 18 working days. "The objective was to get the cash registers ringing as quickly as possible," says director of advertising John Harty. "Seats go quickly; potential for loss is high."

The budget for 1982 has been set at $20 million; nearly half of this will be splurged in the first three months as Republic strives to bolster its national recognition. "After this," says Harty, "we'll go back to retail selling on a local basis. Starting this spring we'll maintain awareness with local spot and newspapers. In the fall, we'll run another national campaign."

Net tv is used for national awareness (in programs like *FDR Remembered* and the *Golden Awards*), along with the newsweeklies. The patriotic tagline: "Nobody serves our Republic like Republic."

Local media depends on the importance of the market, says Harty. Republic has 13 "A" markets, including Detroit, Chicago, Atlanta, Milwaukee and Phoenix, served by heavy flight schedules. "B" cities are smaller and numerous — Grand Rapids, Reno, and Green Bay are examples. Weight in newspaper, radio, and outdoor depends on market size and flight frequency.

Harty stresses the importance of media in the "B" markets where a significant portion of Republic customers fly from. "We bring people from smaller markets to larger ones," he says. In this respect, Republic is the opposite of United, which dumped many of Republic's cities after deregulation.

Harty claims Republic is the largest user of outdoor in the industry: it will spend $2.8 million this year on about 175 billboards in 60 markets.

Outdoor copy reflects newspaper ads; Republic's destinations and the fare structure are featured.

In what may be one of the more unusual promotions, Republic is giving free rides to kids who show up with five Ralston-Purina cereal box tops. The only hitch: they must be accompanied by a full paying adult.

American continues to enhance its love affair with the state of Texas, first moving from New York to Dallas two years ago; then continuing to bolster Dallas as its major hub; moving its $40 million account from Doyle Dane Bernbach to Bozell & Jacobs/Dallas; and adding new routes monthly to Texas cities and other Sunbelt spots.

American has been involved in the fare skirmish chiefly with competitors on its sun routes. Braniff multiplied its presence in the south after deregulation and regional carriers like Texas International and Southwest began to reap gains.

"We've drastically reduced our fares because of this competition," says American's David Lobb. "Braniff has reduced to indecently low levels and we had to match and are losing our shirts." American had a 1981 profit of $47 million after a 1980 loss of $75 million.

American uses a broad selection of media: 1980 LNA pegs expenditures at $42 million with major outlays in spot tv, radio, and newspaper (net tv plays a minor part). Destination advertising features Caribbean vacation spots, Hawaii, and new Mexican ports Cozumel and Cancun.

Midway is strictly a windy city carrier — it's named after the airport it flies out of and all flights depart and return to Chicago from other markets. There is no interconnection. Midway sees this as an important selling point. "Our non-stop flights are an advantage over the pedaljumpers," says Robert Wolf of Robert J. Wolf & Assoc., Midway's agency. "They'll sell a fare and stop five times" before arriving.

Midway's market is the business person — seeking cheap no-frills and expeditious travel arrangements. Midway employs a "wholesale" concept, telling the business traveller that he'll fly to New York at 30% to 50% under what he used to pay — and his connection will be at convenient Midway Airport in Chicago.

$1,000,000 is divided equally between radio, tv, and newspaper, says Wolf. Some support strategy comes from outdoor. Tv, especially important in Chicago, targets men in news, early evening programing, and sports.

People Express president Gerry Gitner has a fairly simple view of his airline's market: "everybody who is interested in going to one of our cities." Because People Express makes little differentiation in its market, media selection is across the board and especially heavy in New York, where the airline is centered and is still struggling for a foothold in the extremely competitive market.

PE is tapping some previously undefined segments in the airline business: non-flyers, or drivers, which many of the regional carriers are aggressively seeking, the small business traveller who previously shunned air travel because of expense, the military market, and the college market. Says Gitner, "80% of our operation is in New York, so our media weight is here. We wanted to build this market in terms of the number of flights serving it."

A tv campaign broke in February which, Gitner says, is a "multi-hundred thousand dollar one." It is an across-the-board, high frequency buy on New York stations, employing movies, primetime, news, late night, and sports. Spots reflect the radio ads currently in place on NY stations which parody the hard-sell methods of the major carriers. The radio spots "provide information" and are slated on all-news and highly rated stations.

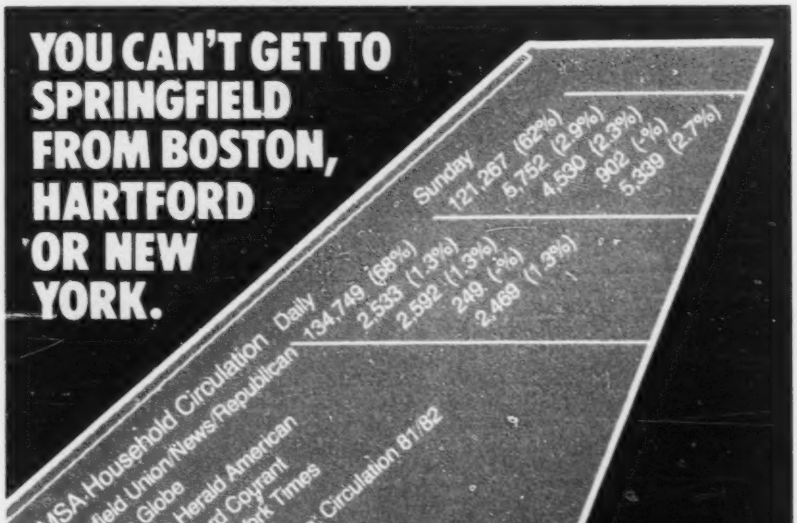
Southwest's media expenditures, the largest of any of the regional trunks in '82, will be fueled by the addition of new cities. Southwest is currently a major force in Texas skies, with planes also flying to three adjoining states. New cities opened in January include Los Angeles, San Diego, and Phoenix, Arizona.

Like the other regionals, Southwest is characterized by a simple fare structure — between 6:30 am and 7 pm every seat is the same price and cocktails are complimentary. Southwest also has "cash register" ticketing. Its market is the mass transit commuter and primarily male.

Southwest's '82 media expenditure of $3.5 million will be 28% in radio, 37% in newspapers, and 35% outdoor. Radio, says vp of marketing Tom Volz is "one quarter for image and awareness, the rest for price and frequency of flights."

Southwest's outdoor buy serves as the blitz medium in the new markets; newspapers are used for continuity, says Volz.

Verne Gay


YOU CAN'T GET TO SPRINGFIELD FROM BOSTON, HARTFORD OR NEW YORK.

SMSA Household Circulation	Daily	Sunday
Springfield Union/News/Republican	134,749 (68%)	121,267 (62%)
Boston Globe	2,533 (1.3%)	5,752 (2.9%)
Boston Herald American	2,592 (1.3%)	4,530 (2.3%)
Hartford Courant	249 (-%)	902 (-%)
New York Times	2,469 (1.3%)	5,339 (2.7%)

Source: Circulation 81/82

You have to use the Springfield Newspapers.

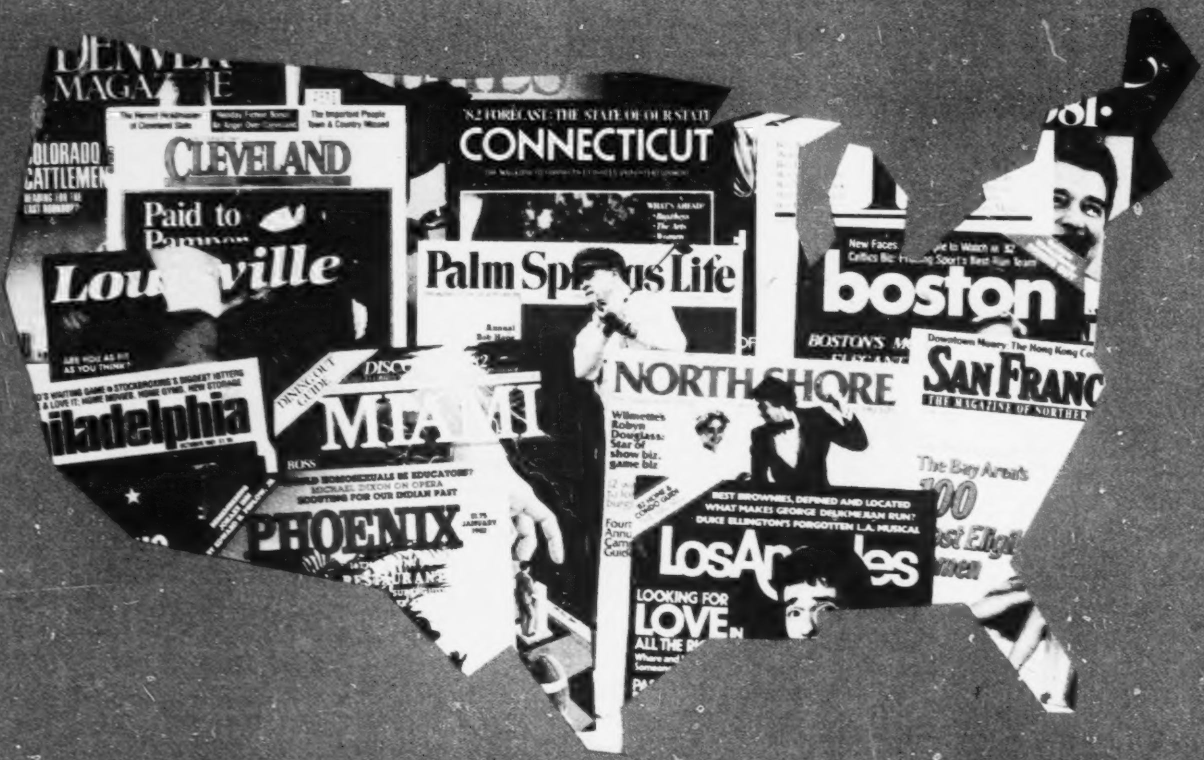
The rich, Western Massachusetts travel market is well-served by nine airlines, but not by any out-of-town newspaper. The idea of buying Boston (or Hartford) to reach the Springfield market just won't fly. You can't reach Western Massachusetts without the Springfield Newspapers. And without Western Massachusetts you're not covering New England!

Call Andre Lareau,
Travel/Resort Advertising
(413) 788-1061

The Springfield Newspapers

Largest in Massachusetts Outside Boston
Represented by Newhouse Newspapers

SPECIAL
REPORT


DENVER MAGAZINE
COLORADO CATTLEMEN
CLEVELAND
CONNECTICUT
Paid to
Louisville
Palm Springs Life
boston
BOSTON'S
NORTH SHORE
SAN FRANC
THE MAGAZINE OF NORTHER
philadelphia
MIAMI
PHOENIX
The Bay Area's 100
LosAngeles
LOOKING FOR LOVE

City and state magazines

Local magazines have grown tremendously in recent years in editorial status — and in advertising value to certain advertisers. They still get 85% of their ad revenues regionally, but are a significant alternative to target marketers both for product advertising and corporate image communications.

"City books happen to have concentration where we do well!"

This is a typical comment of national advertisers we spoke to in preparing this report.

To that add upscale audience with a high educational level and an active community interest and you have the basic reasons why national advertisers buy these localized magazines.

Growth of city and regional magazines† 1976 — 1980

Ad pages up 46% in five years
1976 — 14,949
1977 — 17,994
1978 — 20,771
1979 — 21,742
1980 — 21,796

Paid circulation up 57% in five years
1976 — 926,823
1977 — 1,101,397
1978 — 1,275,079
1979 — 1,375,432
1980 — 1,453,965

† Same 20 magazines in each year.
Source: City & Regional Magazine Assn.

A lot of them originated as house organs for the local chambers of commerce, but if you haven't perused a selection of them recently, you might be in for an awakening. Localized they still are, but they are up-beat, high class, well-printed vehicles that, almost out of necessity, are continuing to be carriers of local/regional advertising. But in there you will also find a growing number of advertisers with national interests, seeking good color in local media.

The reasons for using them differ, as the case histories in this report illustrate, but the key comment that comes up time and time again is "upscale audience."

The factors that users of city magazines mention most often are as follows:

- There are now more than 200 magazines in this category, but there is no official count. The CRMA (City and Regional Magazine Association) has acquired 34 members since its founding in 1979. All its members are ABC audited or publications that have applied for membership. These tend to be the bell-weather books.
- Ad page growth can be seen in the track record of 20 of the magazines in 1976 to 1980 — up 46% in total ad pages in five years.
- Paid circulation for these same 20 books has grown by 57% in the same five-year period.
- Packaged goods distributed through supermarkets are being advertised to an ever greater extent in the pages of the city and state local magazines.
- High ticket items — like automobiles and appliances — most of them placed by retailers, some of them co-op, are still in evidence.
- A great many of the books have national reps seeking contracts on a commissionable basis, and they are getting an increase in orders from national advertisers. The reps, obviously, are not interested in co-op pro-

Demographics of city magazine readers

Sex	
Male	47.7%
Female	52.3%
Age	
Median (years)	42.2
18-49	64.7%
Education	
Attended high school	98.8%
Graduated high school	96.1%
Attended college	78.3%
Graduated college	53.5%
Post-graduate work	32.3%
Marital status	
Married	69.8%
Single	19.8%
Separated, divorced, etc.	10.4%
Adults in household (average)	2.5
Children under 18 (average)	1.8
Household income	
Median	$42,375
$15,000 & over	93.4%
$25,000 & over	79.8%
Membership	
Board of directors	17.4%
Number of organizations (median)	3.9
Held office (median)	2.2
Occupation	
Business management/ administration	40.2%
Other business activity	14.9%
Professional/technical services	22.8%
Government	6.4%
Other	15.7%
Purchasing responsibilities (selected)	
Company cars	19.6%
Data processing equipment	17.8%
Computer services	13.7%
Business aircraft	2.0%
Business gifts/premiums	22.1%
Convention/meeting facilities	16.0%
Business travel arrangements	33.0%
Home ownership	
Primary home	78.7%
Second home	15.9%
Car ownership	
Average	2.0
One	30.4%
Two	43.7%
Three or more	22.4%
American cars bought new (top ten) (Base: Adults owning an American car bought new)	
Chevrolet	26.3%
Ford	19.2%
Oldsmobile	14.0%

The 22 magazines researched in the 1981 study include: Arkansas Times, Baltimore Magazine, Boston Magazine, Chicago Magazine, Columbus Monthly, Connecticut Magazine, D Magazine, Denver Magazine, Honolulu Magazine, Houston City Magazine, Miami Magazine, Nashville!, New Jersey Monthly, New Mexico Magazine, Pacific Northwest, Philadelphia Magazine, Phoenix Magazine, Richmond Lifestyle, St. Louis Magazine, San Diego Magazine, San Francisco Magazine, The Washingtonian.

* Unless otherwise specified, italic type relates to primary households; roman type refers to primary readers

Source: The primary audiences of city and regional magazines conducted by Don Bowdren Associates for the City & Regional Magazine Assn.

grams because there is no opportunity to get a piece of the action.

- The preponderance of space sold in the local magazines continues to be local. And the magazines themselves are seeking to build up their use on a co-op basis, although the file of unused co-op money is extensive. More co-op will doubtless be funneled into the city and state books from now on.

Source for demographics in city and state magazines is Don Bowdren Research, which did the major analysis sponsored by CRMA.

What the research shows

The sellers believe that a real breakthrough in national advertising will not occur "until they show up in the computerized audience data printouts that seem to be a necessity these days in the agency media decision making process." This comment is from a publisher who does not wish to be named.

Is there data? Yes. Two years ago there was great interest in the first study about to be done by Don Bowdren. This analysis of audience covered but 12 magazines. In 1981, the

The primary audiences of city & regional magazines

Following are some comparisons between Bowdren's 1979 study of 12 CRMA member magazines and the 1981 survey of 22 publications.* They show the economic growth over two years among the readers of city and regional publications, as well as the basic stability and consistency in such attributes as occupation and education from year to year and among city and regional magazines as a group.

	1981	1979
Education		
College graduates	53.5%	52.0%
Graduate work	32.3%	31.2%
Postgraduate degrees	20.7%	20.1%
Occupation		
Business management and administration	40.2%	39.6%
Management responsibilities	61.8%	59.5%
Household income		
Median	$ 42,375	$ 34,485
Average	$ 60,316	$ 45,480

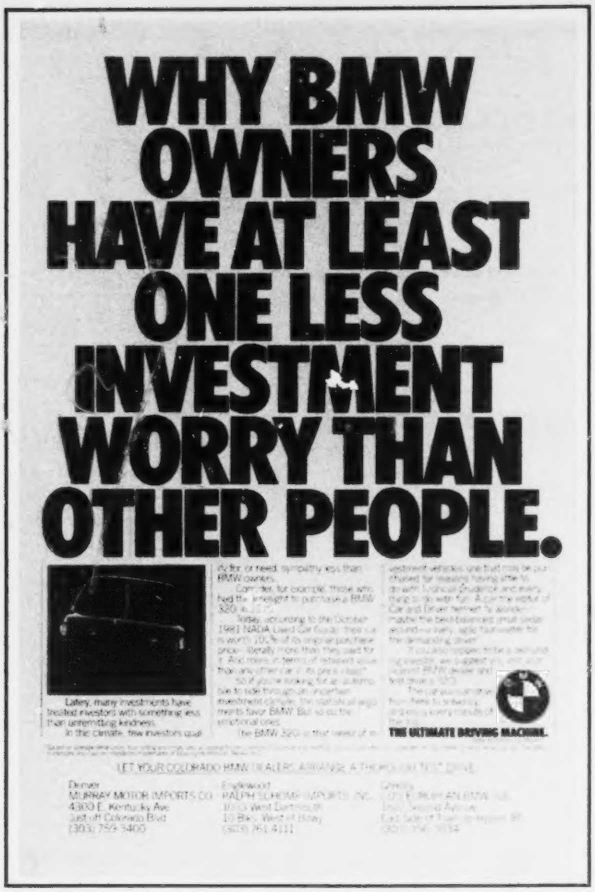
---

* Both studies included the following magazines: Boston, Chicago, D, Nashville!, New Jersey Monthly, Philadelphia, San Diego, and The Washingtonian. The 1979 study also includes Atlanta, Cleveland, Cue/New York, and Monthly Detroit. The 1981 study added Arkansas Times, Baltimore, Columbus Monthly, Connecticut, Denver, Honolulu, Houston City, Miami, New Mexico, Pacific Northwest, Phoenix, Richmond Lifestyle, St. Louis, and San Francisco.

Source: City & Regional Magazine Assn.

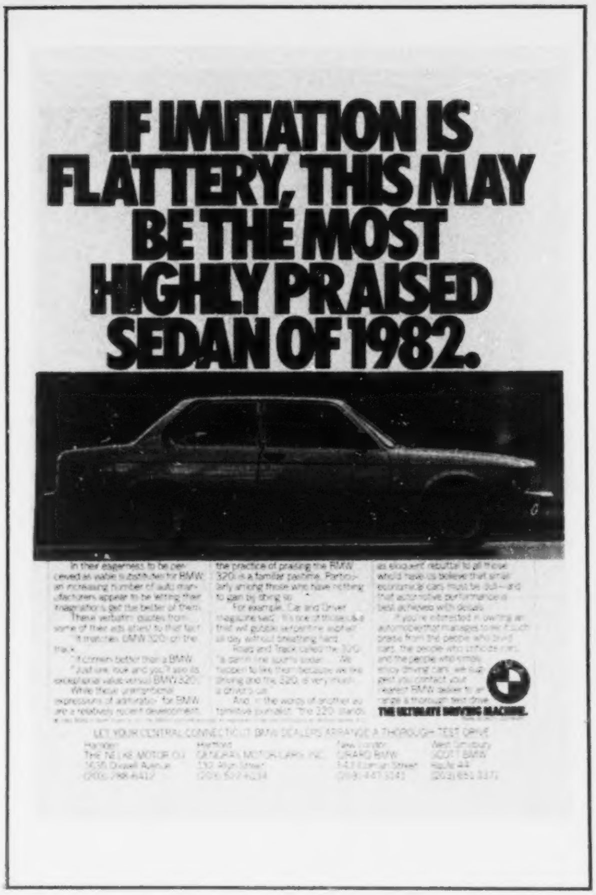
Demographics of city magazine readers (continued from 176)

Buick	10.4%
Pontiac	8.1%
Cadillac	7.1%
Dodge	7.1%
Plymouth	5.0%
Mercury	4.8%
Chrysler	2.8%
All others	0.1%-2.5%
Imported cars bought new (top ten) (Base: Adults owning an imported car bought new)	
Toyota	7.9%
Datsun	7.6%
Volkswagen	7.1%
Honda	4.9%
Mercedes	2.6%
Volvo	2.6%
Mazda	1.7%
BMW	1.6%
Audi	1.5%
Fiat	1.2%
Subaru	1.2%
All others	less than 1%
Types of new cars purchased (Base: New car owners)	
American (medium and large)	52.3%
American (Compact and sub-compact)	22.2%
American (vans, trucks, etc.)	12.3%
American (station wagons)	10.7%
Import (low-priced cars)	24.8%
Import (medium and high-priced)	11.3%
Import (station wagons)	3.9%
Import (vans, trucks, etc.)	2.0%
Recreational vehicles owned (selected)	
Pick-up trucks	12.9%
Motorcycles	5.9%
Power boat	8.2%
Sailboat	4.3%
Car rented/leased in past year	
Rented	34.8%
Leased	4.5%
Both	1.9%
Beverages consumed/served (selected)	
Blended whiskey	21.1%
Straight bourbon	26.7%
Scotch whisky	42.6%
Canadian whisky	14.3%
Beer/ale — domestic	57.7%
Beer/ale — imported	20.8%
Liquers/cordials	30.1%
Vodka — domestic	24.8%
Vodka — imported	17.6%
Gin — domestic	14.8%
Gin — imported	17.4%
Sports participation in past year (selected activities)	
Bicycling	40.7%
Golf	24.1%
Tennis	31.4%
Camping	21.2%
Squash/racquetball	17.9%
Jogging	32.0%
Air trips in past year (average number)	
Pleasure — domestic	3.0
Pleasure — foreign	1.6
Business — domestic	4.7
Business — foreign	2.1
Cruises in past three years	
Average number	1.3



WHY BMW OWNERS HAVE AT LEAST ONE LESS INVESTMENT WORRY THAN OTHER PEOPLE.

THE ULTIMATE DRIVING MACHINE.



IF IMITATION IS FLATTERY, THIS MAY BE THE MOST HIGHLY PRAISED SEDAN OF 1982.

THE ULTIMATE DRIVING MACHINE.

BMW pages in city magazines direct regular display copy to upscale audiences, then add where-to-buy locations at bottom. Ad at left in *Denver* magazine tells where to buy in and around Denver. Ad at right tells where to go for a test drive in Connecticut in *Connecticut* magazine.

second study, covering 22 magazines, came to fruition.

The different base -- 12 against 22 — might make them a world apart in comparability but here are some of the comparative findings:

They tend to match in hard core demographics but spread far apart in areas that tend to be affected by inflation. For example: Education: 1981 — college graduates — 53.5%; 1979 52.0%. Occupation: business management and administration — 40.2% in 1981, compared with 39.6% in 1979.

But when elements are measured on a dollar basis, the difference is much greater. Allowing for inflation, the differences are extreme.

For instance: Household income — $42,375 in 1979 against $34,485 in 1981; value of primary home — $93,435 against $75,725; household investment portfolio — $44,336 against $34,260.

Bowdren's data includes primary household and primary reader counts. It does not include pass-alongs.

Nobody doubts the readership of these city/regional books but they would prefer total audience research instead of primary readers of primary households as the base of the reported audience statistics.

The sellers are seeking ways to further extend the Bowdren audience counts — as well as add other statistics that will help national advertisers judge their values.

The national/local dilemma

A knowledgeable source in the field says that the national advertising activity in these magazines ranges from 10% to 20%. A couple of years ago another spokesman for these magazines said 85% local. So the picture hasn't changed much in total.

One seller of these media put it bluntly: "If there were too much national advertising in these magazines they would be out of business." Being local by design they have to maintain the support of local advertisers. "If they didn't, they wouldn't get any national advertising, as the national spenders would feel that they do not have local support."

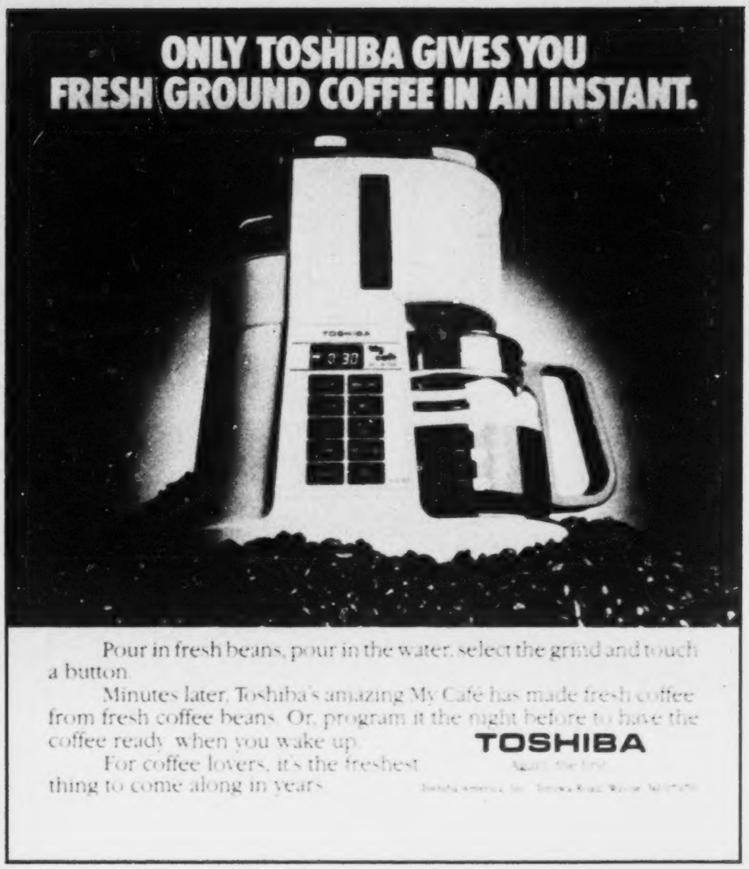
So, there is an impasse. National success could be local failure.

What product advertisers say

Our main purpose in this report is to show how and why national advertisers make use of the city and state books. Here are typical observations from a range of national advertisers.

Toshiba in small space. Fractional page space is most often the rule when it comes to local advertisers. National advertisers most often place full page ads or more. But national advertising in fractional space is unusual.

Toshiba America, Inc. is doing just that in the top ten markets. This is their first effort with fractional space (square thirds), having used full page


ONLY TOSHIBA GIVES YOU FRESH GROUND COFFEE IN AN INSTANT.

Pour in fresh beans, pour in the water, select the grind and touch a button.

Minutes later, Toshiba's amazing My Café has made fresh coffee from fresh coffee beans. Or, program it the night before to have the coffee ready when you wake up.

For coffee lovers, it's the freshest thing to come along in years.

TOSHIBA
Again, the first.

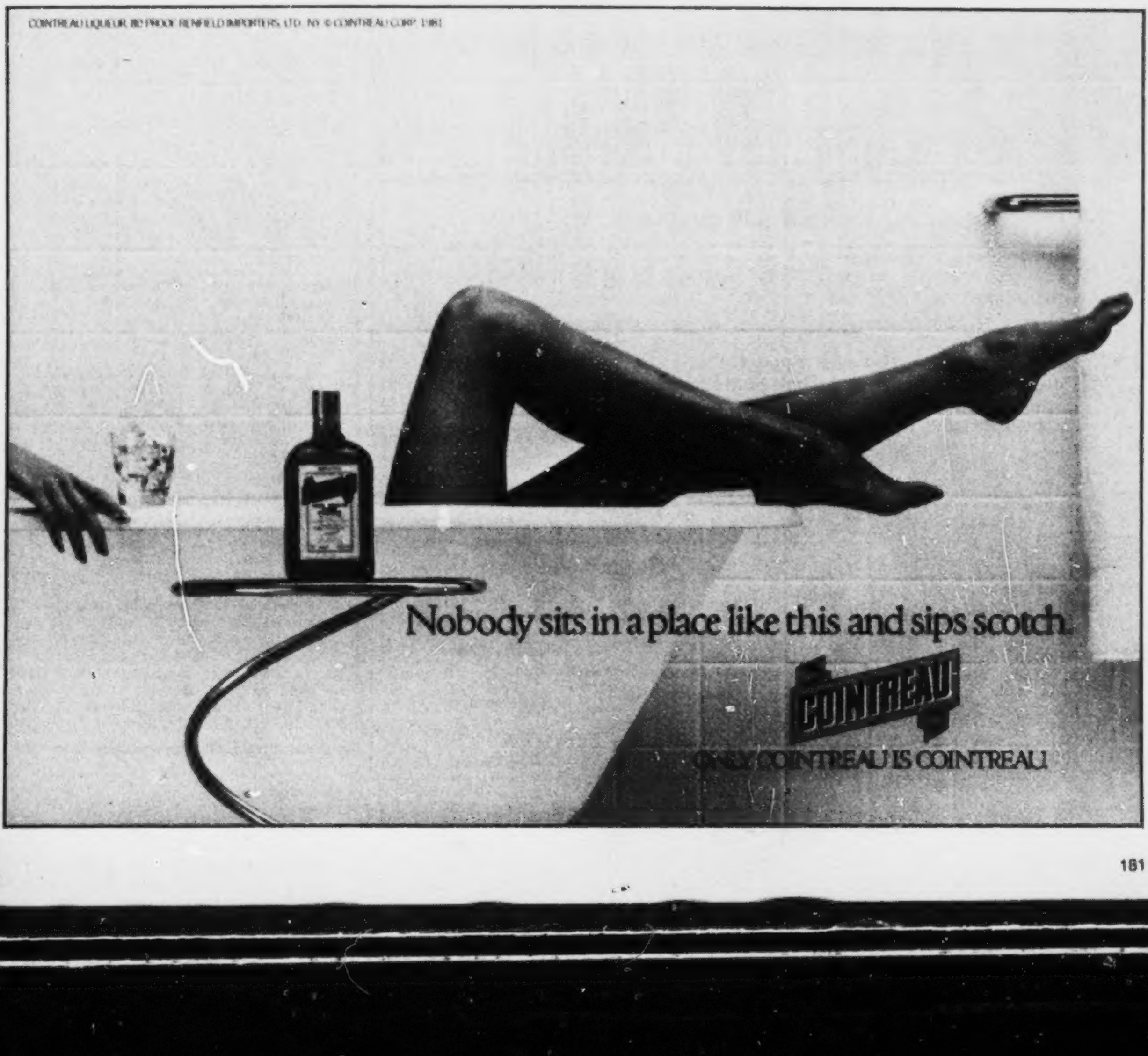
Fractional ads for Toshiba, this one-third square, are found positioned opposite each other on spreads in city books to help stretch a limited ad budget.

space in the past. The effort is in behalf of two of their divisions — small appliances and sound products.

Reproduced at left is an ad for their coffee grinder/maker. It is typical of the other ads in the series and has high visibility among the myriad of locally sponsored advertising.

Sandy Goebel, account supervisor at Calet, Hirsch, Kurnit & Spector, explains their use of the city books this way: "The products had high distribution in these markets. We were using spot radio and national food magazines but wanted to supplement these efforts in these high profit markets. Surpris-

Cointreau, one of many advertisers who place regular copy in city magazines, finds it can do the job in a half page horizontal in four color. Copy theme is hard to miss.


COINTREAU LIQUEUR 80 PROOF RENFIELD IMPORTERS, LTD. NY © COINTREAU CORP. 1981
Nobody sits in a place like this and sips scotch.
COINTREAU
ONLY COINTREAU IS COINTREAU

ingly, we got a good playback in these markets — so much so, that we are recommending continuing the program."

All of this in national, factory ad dollars.

Cointreau, a product of Renfield Importers, Ltd., is a new but highly visible advertiser on the city/regional scene and will be more so in the future.

The current campaign broke in December and January issues in at least ten markets — mostly city books but a few state magazines were bought also.

Lincoln/Mercury. Ad manager John Vanderzee is using city magazines in the top ten "luxury" markets to reach upscale demographics. Other automotive advertisers in Detroit seek broader coverage via network and spot tv. But they supplement that to some extent with magazines in "pockets of affluence" (i.e. regional and local media, including the magazines).

One Detroit source says that city magazines are the hottest, best ad medium for the auto companies. But he can't persuade his bosses to use local magazines to the extent he would like. "We are putting some factory dollars into them," he says, "but we could get much greater mileage from our dollars if we added co-op — as many national advertisers do in the city books."

As the automotives tend to bring out specialized lines — like the recreational vehicles — they take a closer look at city and state magazines. The best example happens to be in a regional book, *Rocky Mountain Magazine*. In one issue it carried ads for the Dodge Ram, the Ford Bronco and the Datsun Pickup.

Jack Daniels sour mash whiskey. The key words in the use of city/ regional magazines by Jack Daniels Distillery is "additional support." If a market warrants additional support, the local books are looked upon as the heavy-up vehicles. Since broadcast is out and some control states prohibit outdoor, why not newspapers? "They just don't match up with demographics set for the brand," says Ray Ruzicks, project manager of Advancers, agency for the Brown-Forman subsidiary. "They can be compared to special interest magazines; the reader is more involved with them."

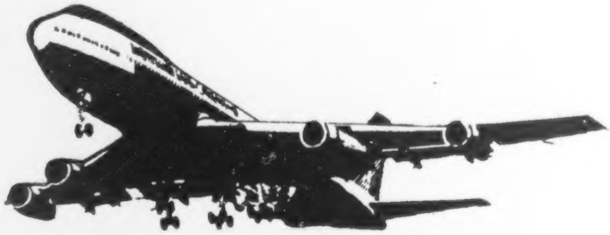
Most of the heavy-up for Jack Daniels is in southern markets. Most of the advertising carried by these books is black and white. The national advertisers, however, tend to use color. But not Jack Daniels — it would not be in keeping with the 25-year image they have created for the brand.

Yuban coffee. General Foods is currently using two metropolitan magazines, *D* (for Dallas) and *Denver*. In keeping with the practice of many advertisers, both national and local, this is their top-of-line caffeinated brand.

The local effort offers high impact, visibility and good positioning.

This effort supplements the use of the service books and the "seven sisters." The out-of-pocket cost is, of course, small. Yuban can add at least four metro books for the cost of one national magazine.

Some national advertisers believe that the relatively high cpm in metro/



REACH THE
MEMPHIS
MARKET

More than $4.4 million was spent on air transportation in Memphis and Shelby County during 1981, as reported by the Tennessee Department of Revenue. Take advantage of our daily combination rate to reach 84% of adults in professional and managerial positions*—those most likely to travel on business and/or make decisions about product distribution.

Memphis is a Newspaper Market.

The Commercial Appeal / Memphis Press-Scimitar

National Advertising 901-529-2239

MEMPHIS PUBLISHING COMPANY
495 Union, Memphis, Tn. 38101

SCRIPPS-HOWARD NEWSPAPERS Represented Nationally by Story & Kelly-Smith Inc.
Mid-South Magazine Represented Nationally by Metropolitan Sunday Newspapers
*Urban & Associates, 1981

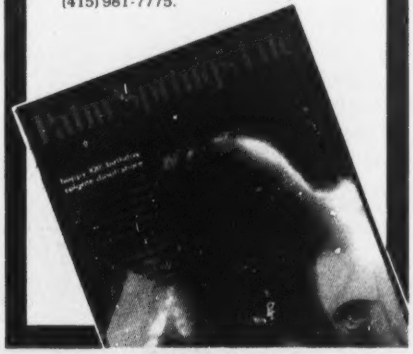
Median Income: $85,000 Per Year.

No Kidding.

We don't have to. All you have to do is drive around and see for yourself. This is indeed a sunkissed mecca of exclusive country clubs, split-level tennis villas and sprawling estates. And these are *second* homes, mind you. Looking to start a trend? The *Palm Springs Life* reader *is* at the top of your demographic pyramid. He and she *know* how to live the good life . . . and Palm Springs Life is their shopping guide.

Call your Palm Springs Life advertising rep and tell him to send you a kit right away.

Advertising Representatives: Boston: Joseph J. [illegible]rcisz, 442 Statler Building, Boston, MA 02116. (617) 426-7382. **Chicago:** Wendy Reynes, Reynes & Associates, Two North Riverside Plaza, Chicago, IL 60606-2685. (312) 930-9496. **Dallas:** Richard Griffith, The Griffith Group, 16-990 Dallas Pkwy., Suite 201, Dallas, TX 75248. (214) 931-9001. **Detroit:** Kathleen G. Charla, 21000 W. Fourteen Mile Road, Birmingham, MI 48010. (313) 642-3482. **Hawaii:** James W. Wilson, 1550 Rycroft Street, Suite 115, Honolulu, Hawaii 96814. (808) 941-7796. **Los Angeles:** Hutch Looney, The Pattis Group, 1800 N. Highland Ave., Suite 717, Hollywood, CA 90028. (213) 462-2700. **Miami:** Robert T. Coughlin, Coughlin/Adler Associates, Inc., 9212 S.W. 73rd Road, Miami, FL 33256. (305) 665-1770. **New York:** Catalyst Communications, 260 Madison Avenue, New York, NY 10016. (212) 578-4830. **Orange County:** Joleen Parham, Joleen Parham & Associates, 3810 East Coast Highway, Suite 2, Corona del Mar, CA 92625. (714) 675-9770. **San Diego:** Dolly Maw, 1235 Parker Place, Penthouse A, San Diego, CA 92109. (714) 270-5536. **San Francisco:** Patricia Preble, The Advertising Department, Inc., 311 California Street, Suite 410, San Francisco, CA 94104. (415) 981-7775.



city publications is offset by the low out-of-pocket cost, especially when they can present their case in a book that goes to upscale readers. The use of city books may be especially important in problem markets, where the merchandising value of a long list of quality magazines can have impact.

Taster's Choice. While it is not usual to see supermarket products advertised in the city and state magazines, we can add another case to the Yuban coffee segment — Nestle's Taster's Choice. The company wanted to make inroads into Sanka's franchise in the decaffeinated coffee market in restaurants.

The effort took place in Philadelphia, New York and Chicago. The plan was to reach eating-out prospects (a lot of city magazine readers) with testimonial copy from famous restauranteurs. So they went into city books in each locality with local testimonials.

Corporate advertiser viewpoints

Cigarettes, liquors, automobiles and, more lately cosmetics — these are the front runners of national advertisers in city/state magazines. A new source of national dollars is popping up, however, but only in special situations. The new category is corporate advertising — mostly in books that circulate in areas that are home to corporate headquarters.

One good example is *Connecticut* magazine, which in a recent issue carried advertising for a number of companies somewhat foreign to the genre of city/state publication advertisers.

American Can Co., headquartered in Greenwich, Conn., is one of this group of advertisers. Their effort is "ad hoc" — running several insertions a year.

It might appear that this is only a plant-city effort, a good neighbor promotional approach. But this is not the case for American Can; it is just a home state effort.

Here are comments of people close to the American Can situation about the reasons for putting corporate (not product) ad money into books of this nature:

"Affect the political process."

"Recognition as a citizen of the state."

"Reach the legislature."

"Sense of contributing something to the state."

"Make life better for people where they live."

> **"The use of city books may be especially important in problem markets . . ."**

And again, as has been mentioned before — "upscale readership." When talking to both publishers and advertisers in this context, this term is seemingly always in the forefront of their minds.

Combustion Engineering of Stamford, Conn., handles its activity in *Connecticut* magazine as a function of the corporate advertising effort. Frequency is about six out of 12 issues.

Purpose is varied: While it bespeaks of community relations, a lot of "city" people (with influence) live in Connecticut, so there is product sale potential. A current ad is headlined "C-E technology is coaxing new bounty from old oil fields." But there are undertones of overtures to finance and government.

Chesebrough-Pond's talks about "leadership brands" and "names Americans trust," and it closes with an invitation, "call your stockbrocker."

While the Chesebrough-Pond's ad we speak of was seen in a state book, Don Heyman, manager of public relations says that it is used primarily in national media and not specifically in localized plant/community media.

This type of advertising does not pop up universally in city/state magazines but another popular vehicle is *Cleveland* magazine. Publisher Lute Harmon hangs this tag on it: "Cleveland is a corporate town. Companies are paying attention to cleaning up. They want to build a reservoir of good will."

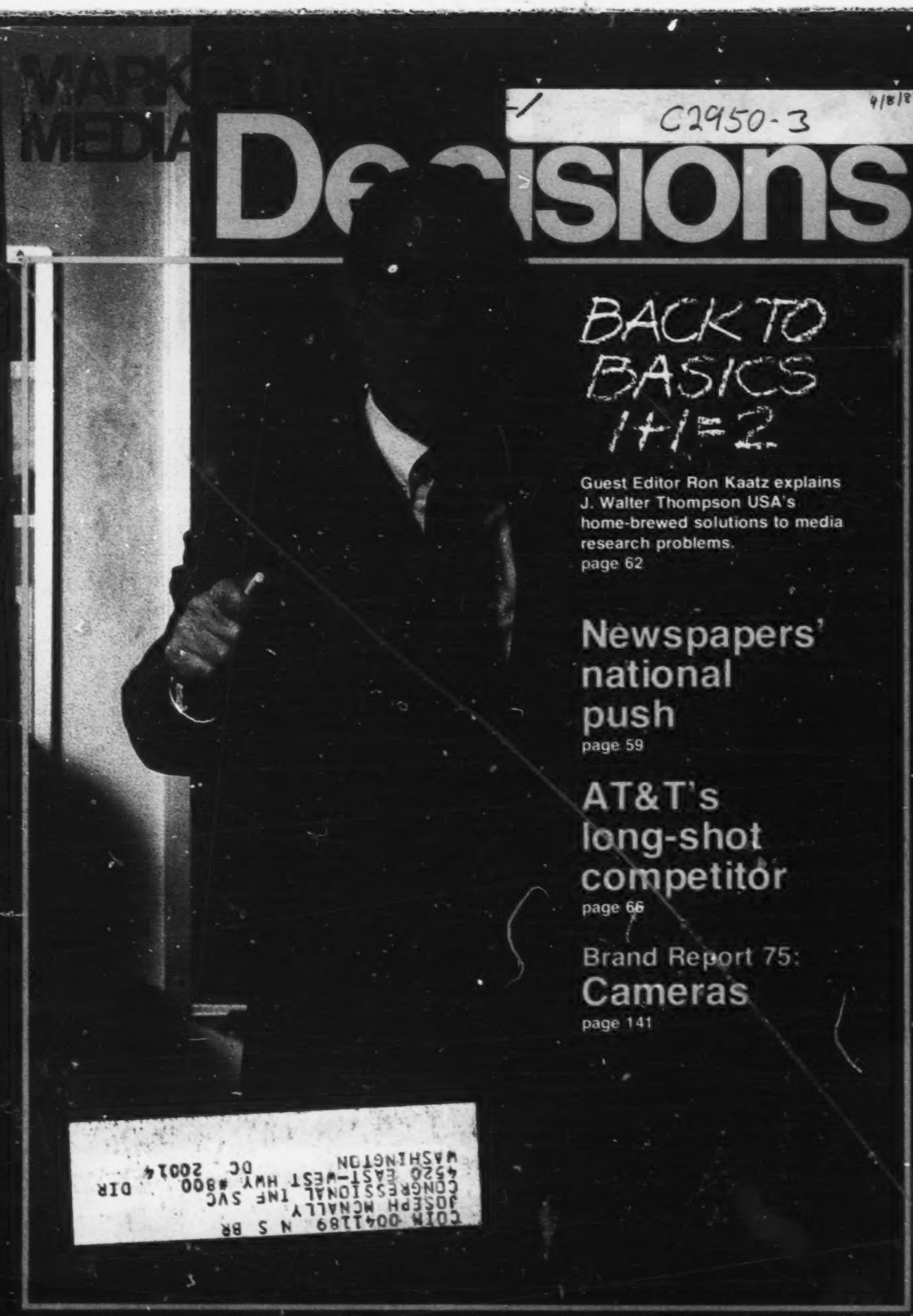
While not attempting to mention all, he did cite the activity of Republic Steel, which is in his publication on a nine-time basis (all four-color) plus additional use of local radio and tv. The theme: "Clean up the air."

Other exponents of this type of community advertising cited were: Alcan Aluminum, TRW and Eaton Corp.

Pat Kelly

MARK
MEDIA
Decisions

-/ C2950-3 4/8/82



BACK TO BASICS 1+1=2

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Newspapers' national push
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AT&T's long-shot competitor
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Brand Report 75:
Cameras
page 141

COIN 004 1189 N S BR
JOSEPH MCNALLY
CONGRESSIONAL INF SVC DIR
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

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READY TO DRINK
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A JUICE DRINK
250 mL
8.5 fl oz

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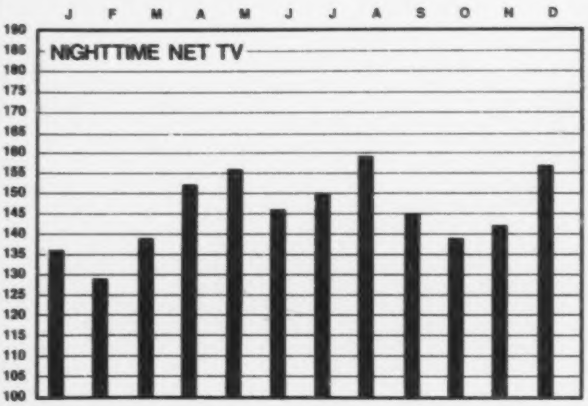
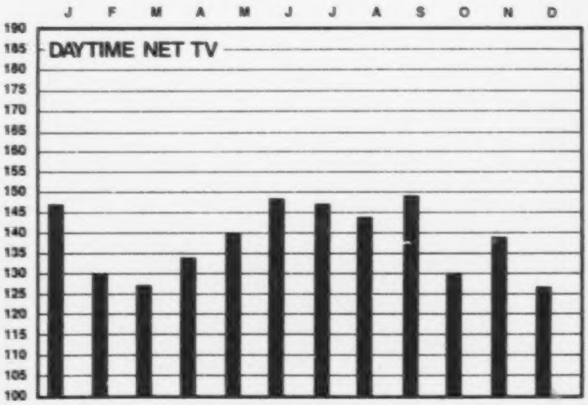
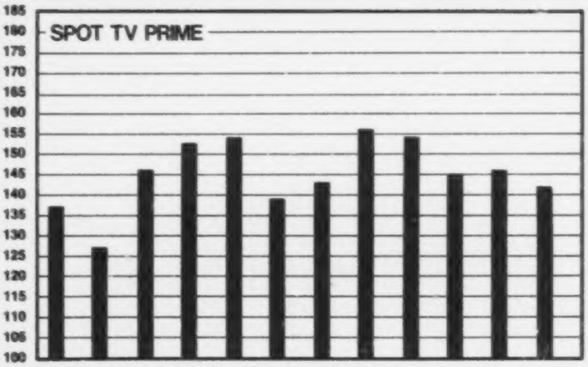
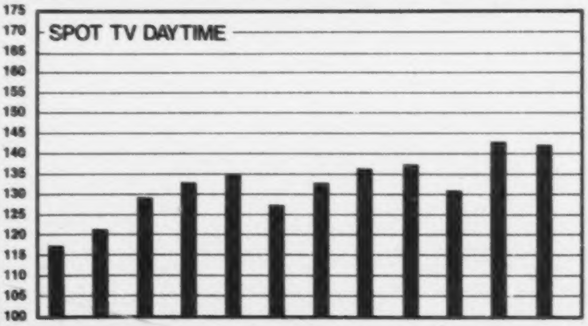
MEDIA COST INDEX

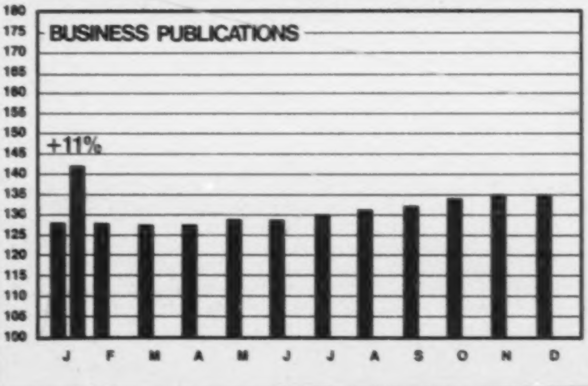
Black bars index for 1981; red bars 1982; base year 1977











Cost trends for 11 major media for 1981 are shown in the black bars on this and the page that follows. They're complete for that year. Height of the black bars shows increase in unit costs in each month over the base year 1977. Red bars show increases by the month over the same month in the previous year in 1982 for those media for which data is now available.

Charts have been revised to start at Index 100 in each case. You can read percentage changes since 1977 by simply subtacting 100 from any black bar. For example, Index 142 in black bar for Spot TV Daytime in December indicates that unit prices for December 1981 were 42% higher than in 1977.

Red bars are based on same index. For example, Business Press Index 141 for January 1982 (red bar), indicates unit costs are plus 41% over 1977 — Red bar for January 1982 compared to Index 137 for January 1981 (black bar) indicates an increase of 11% over same month one year previous.

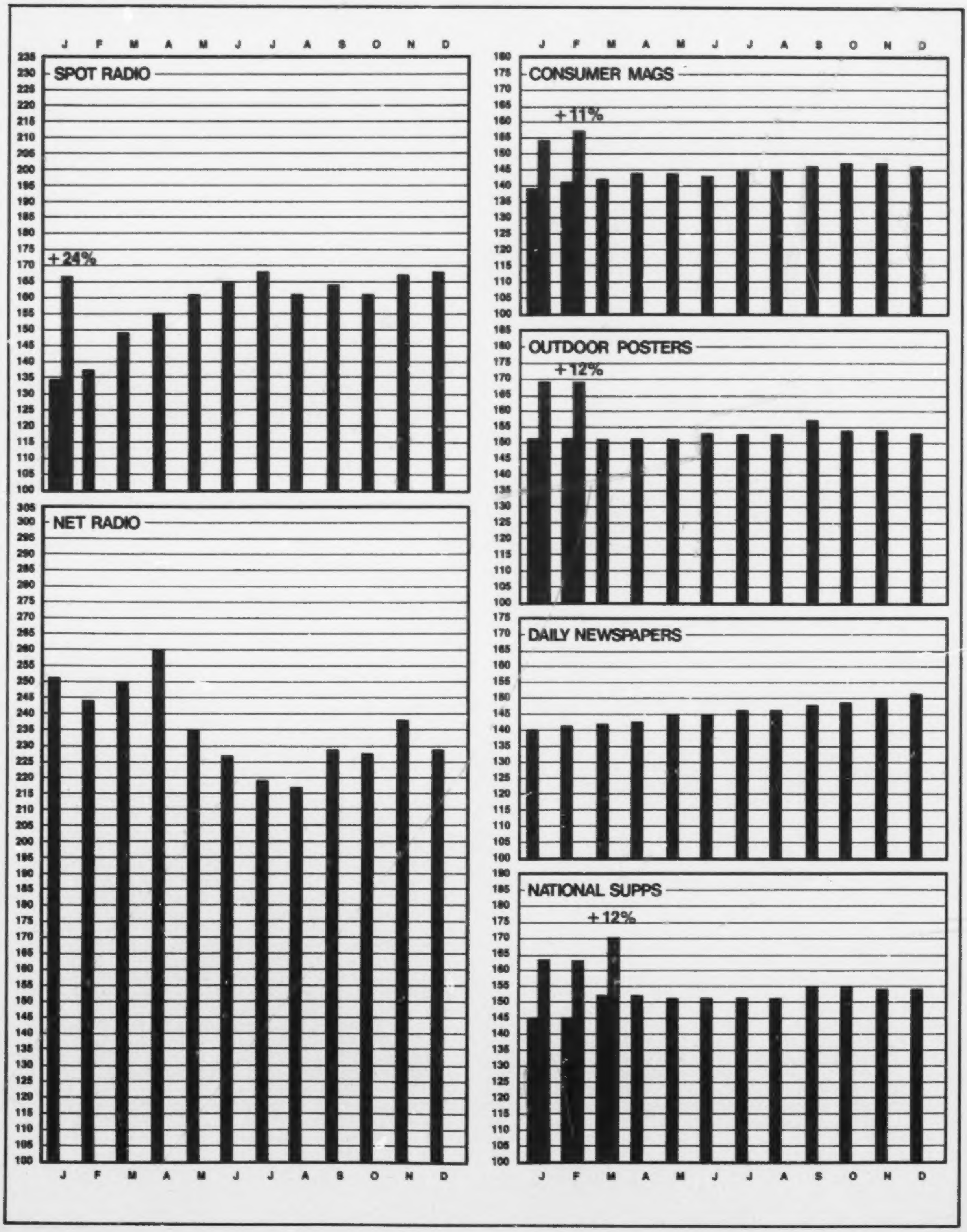
Recession talk appears to have had no effect on media prices. Those media for which 1982 data is available (red bars) show big jumps in pricing.

Continued on page 12

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m.
Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.
Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



FUTURES

(from 32)

technological advances may have more in store for the big game hunters.

Andrew Pollack wrote in the New York *Times:* "Some experts think that future video games will use video discs to give them realistic scenery. . . . Rather than showing block or stick figures, a computer game with a videodisc might show actual film footage of tanks rolling across a field. If the player hits a tank with his electronic weapon, the computer switches to footage of a tank being destroyed." Two way cable, he suggests, will also allow competition between players in different locations.

Apparently, the future for video games, despite its present high state of development, is just beginning.

Produce new products or risk dismissal

What is the chief demand on the chief marketing officer in the 1980's? A study from the national executive search firm of Fleming Associates says it is new product introduction.

Chief marketing executives in 117 companies report that new product introduction is the most critical pressure point they face in 1982.

"This means that companies have detected a bottoming out and need new products to push their business," president Richard Fleming asserts. By contrast, "in mid-recession we see an emphasis on cost controls and executives who can tightly manage operations."

After new product introduction, the next three pressure points were, in order: selling costs, pricing, and internal staffing and training.

The survey also showed these concerns were facing marketing executives in 1982:

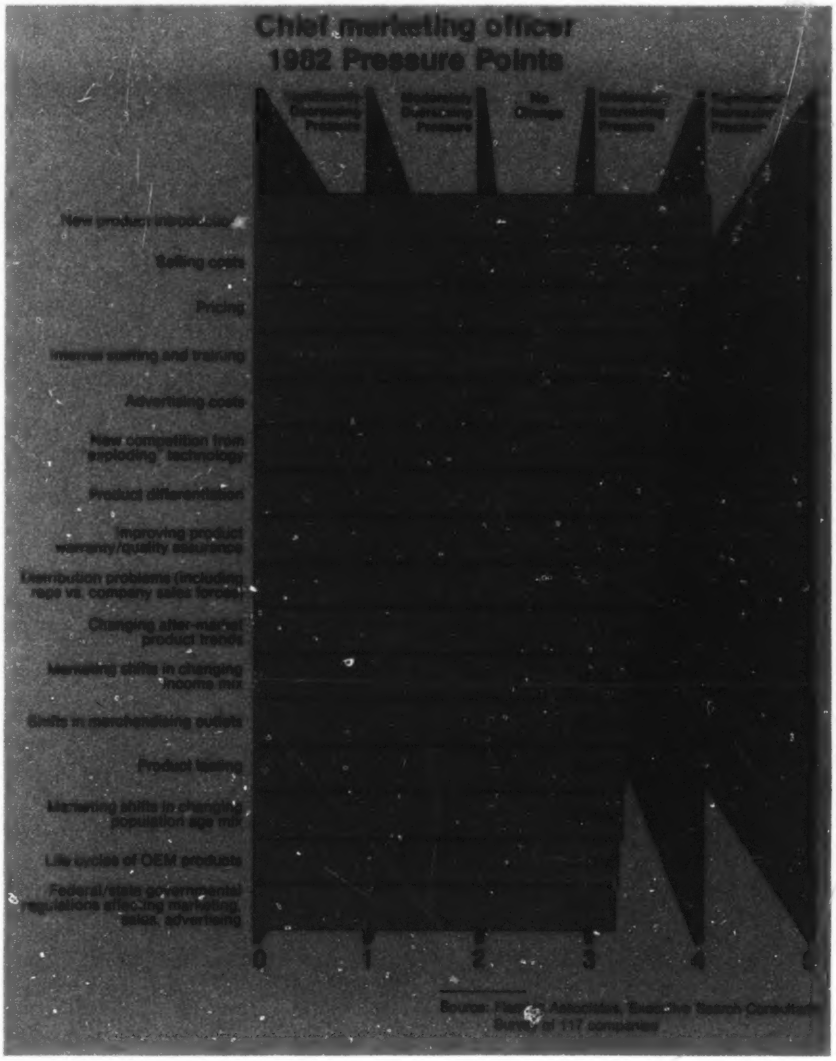
"Staffing continues to be the biggest problem in the industry. Growth stretches the available talent pool — sometimes quite thin.

"There is increasing pressure to predict the future and provide alternative courses of action to insure meeting corporate sales goals.

"There is a very real problem in maintaining focus on the long term objectives and strategies while short term 'fires' are being extinguished due to the down-turned economy.

"There is a great need for quality, trained marketing personnel who exhibit honesty, integrity and good work habits.

"We need to improve the overall efficiency and effectiveness of the marketing mix, i.e., advertising, personal selling, product mix."



Chief marketing officer
1982 Pressure Points

Source: Fleming Associates, Executive Search Consultants
Survey of 117 companies

How much hotter will radio be in 2001?

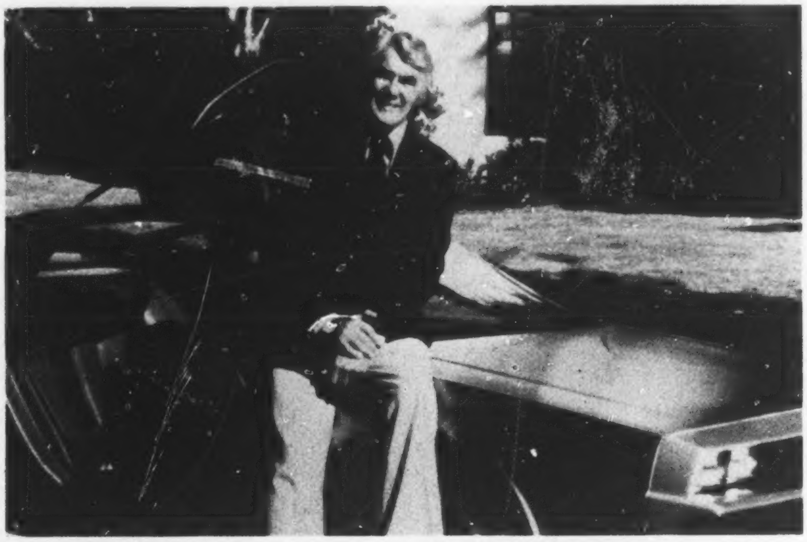
The expansion of radio to a $40 billion ad medium in 20 years was forecast by Miles David, Radio Advertising Bureau president, at the January RAB conference on sales management.

But on the other hand, he warned, "The realism is that new competition is everywhere. We are in the mist of media revolution. There will be information retrieval media such as yellow pages for tv screens. There will be more competition than we've ever known."

UPDATE

No more rollouts for DeLorean

Due to immense initial interest and an unprecedented amount of free publicity, the future looked good a year ago for DeLorean Motors. But unforeseen economic conditions pushed the company into insolvency in February, and the stainless steel, gull winged car, like its unfortunate predecessor, the Bricklin, is threatened with extinction (See: *"DeLorean rolls out his hot new car," September 1981, pg. 72)*.



John Z. DeLorean still hopes to rescue his troubled car company.

Unable to float a stock issue, John Z. DeLorean surrendered his manufacturing plant in Belfast, Ireland to receivership, and relinquished any hand in how it will be managed. He does, however, retain the U.S. operation which markets the $25,000 sports car. DeLorean is hopeful that he may yet raise the $70 million needed to lease back the production facilities.

The financial problems developed when many dealers who had made firm orders for cars weren't able to fulfill their commitments.

That situation crimped the cash flow of the company, which, DeLorean said, had never built up any working capital and had been operating hand-to-mouth since spring 1981.

Advertising for the car had begun in late fall, mostly in magazines.

National green light for Taylor light wines

After a successful market test for its light Chablis, Rhine and Rose wines, Taylor California Cellars has decided on a national roll-out for the new product (See: *"Brand report 67, Wine," August 1981, pg. 151)*.

The national campaign premiered in February with spot television, radio, magazines and newspapers. Copy for the campaign states: "Perfect when you want something light tasting. What a perfect time for my other wine." Agency for the brand is Kenyon & Eckhardt.

Pierre Ferrari, Taylor Group brand manager for Coca Cola's Wine Spectrum, commented, "Our intention is to create a new wine category with broad appeal; we are positioning our light wines as the ideal lower calorie high quality wine alternative for occasions that call for a lighter beverage.

"The public's demand for lighter beverages is growing. Since 1975, light beer consumption has increased 800% versus a 19% increase in the total beer category. Low calorie soft drinks are also growing rapidly. All the indicators show the same kind of growth possibilities for the wine industry. Today's active lifestyle emphasizes the extraordinary potential for our light wines."

Field testing by Qualitative Communications Testing and Gallup & Robinson, Taylor's executives say, show the campaign theme is best suited for the national roll-out.

You can say that again, again and again

Advertisements in magazines don't show a rapid wear-out factor, according to a recent analysis from Starch INRA Hooper (See: *"No easy tests for commercial wearout," December 1981, pg. 64.)*

The Starch study was limited to ads at least of half page size, and found that noted scores generally increased with repeat exposure. The findings show that "those ads that initially score at the low end of scale tend to do somewhat better the second time around, and those at the high end of the scale tend to score somewhat lower, but the differences are marginal. The general observation can still be made that ads that rate low on their first appearance will be quite likely to do the same thing when repeated, and that high rating ads will still be high scorers on their second appearance."

In summary, the study concludes: "Consumer advertisements are currently being repeated by many adver-

Continued on page 44

tisers. The majority of these are rerun within a period of one month. Advertisements repeated in different issues of the same publication continue to hold, on the average, the same level of readership attained at the first insertion. Readership remains at substantially the same level throughout at least four insertions in the same publication.

"When an advertiser is faced with the change-or-not-to-change question, there is strong evidence that repetition of identical advertisements may be a much better solution than a mere change for the sake of change."

All dressed up and no place to go

The best selling distilled spirits are wondering where their favorite companion — sales momentum — has gone.

According to *Impact*, the newsletter of the distilled spirits industry, the top 20 brands in the U.S. showed no sales growth for the second year in a row (See: "*Brand report 65: Liquor,*" *May 1981, pg. 177*). The *Impact* report asserts that a recessionary economy, the rising price of popular brands and the increasing American preference for wine have all contributed to the erosion of distilled spirits sales.

In light of the current no-growth situation for distilled spirits, *Impact* predicts a bleak next few years for the industry. Citing limited growth prospects for some of America's top selling brands, the journal cautions that it may be time for re-evaluation of industry strategies and financial commitment to brand building on the part of the industry.

Case sales leader Bacardi showed a 1% sales gain for 1981, but *Impact* considers that performance disappointing compared with increases posted in the previous three years. Smirnoff, in the number two spot, had its second successive year of decline, down two percent as compared with a one percent drop the previous year.

Best performers in the industry's top 20 brands were Brown-Forman labels, Jack Daniel's and Canadian Mist. *Impact* publisher and editor Marvin Shanken commented: "In fact, B-F was the only distiller to measurably outperform the industry as a whole in 1981, with its two entries, Jack Daniel's and Canadian Mist ahead by 13% collectively."

Restaurant chain voted best: McDonald's

U.S. preferences in fast food chains vary geographically, according to a survey conducted by *Restaurants & Institutions*, but the winner overall should be no surprise: McDonald's (See: "*Brand report 59: Fast Foods,*" *November 1980, pg. 157*).

Regionally, McDonald's is the most popular in the North Central area, but drops to fourth place in the South and West. Wendy's rates first in the South, but doesn't make the top 10 in the Northeast, where Friendly's holds the top spot. Baskin-Robbins ranks first in the West.

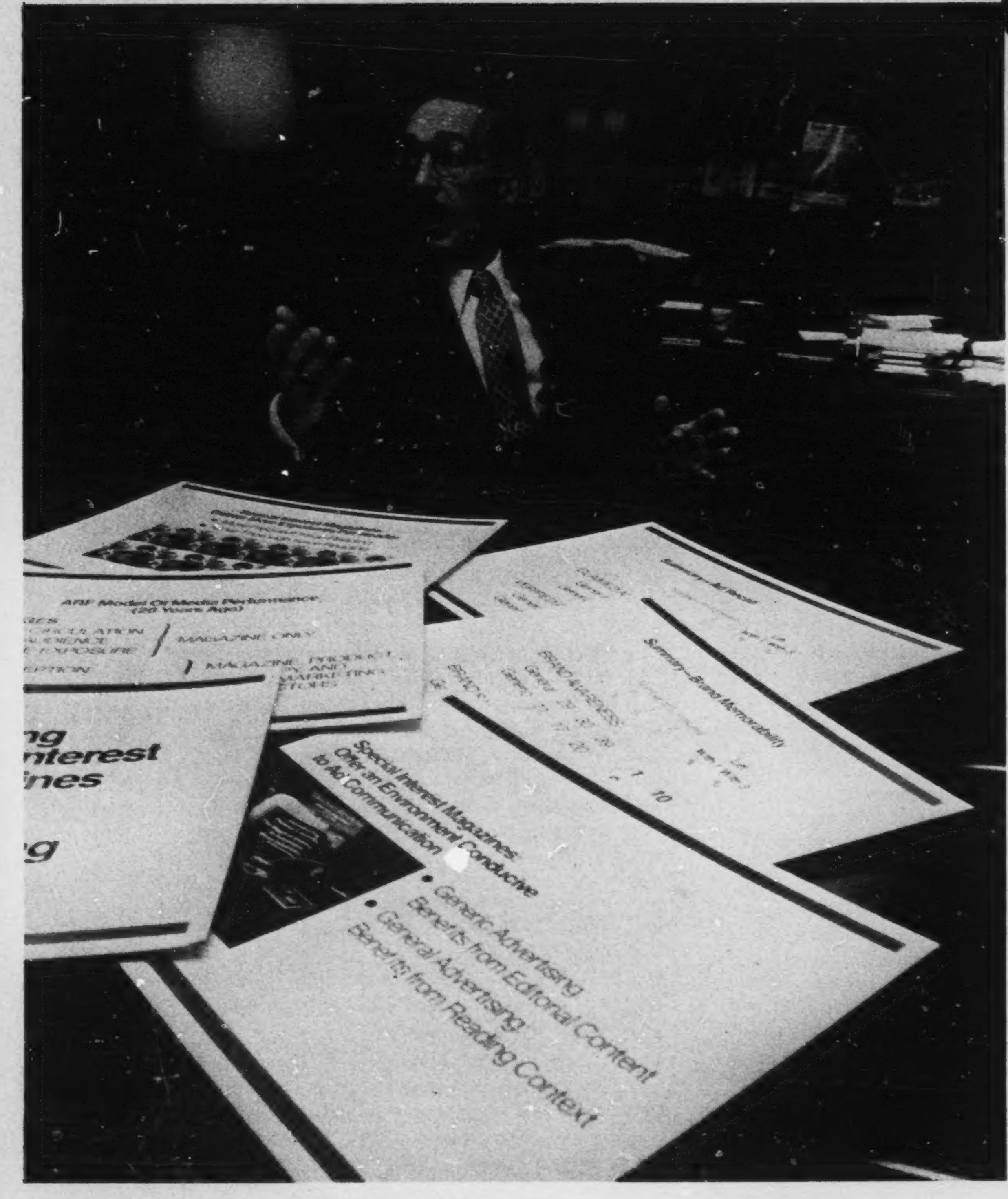
Jane Wallace, editor of *Restaurants & Institutions*, notes that while McDonald's popularity comes as no surprise, "It is surprising that our national sweet tooth has propelled one ice cream chain — Baskin-Robbins — into a position where it has a chance of wresting the crown from McDonald's in the consumer popularity sweepstakes."

Kentucky Fried Chicken also made a good showing with a high general appeal to families who enjoy take-out meals.

Average readership (noted) scores of three or more successive insertions of the same advertisement in the same publication, expressed in relative numbers

Number of Insertions	Number of advertisements	Successive insertions						
		1st	2nd	3rd	4th	5th	6th	7th
3	91	100	103	103				
4	28	100	101	101	109			
5	11	100	112	103	112	102		
6	6	100	102	89	115	107	98	
7	4	100	97	104	99	101	100	101

Source: Starch INRA Hooper


ARF Model Of Media Performance (20 Years Ago)
MAGAZINE ONLY
Summary—Brand Memorability
Special Interest Magazines Offer an Environment Conducive to Ad Communication
Generic Advertising Benefits from Editorial Content
General Advertising Benefits from Reading Context

NEXT STEP IN AUDIENCE RESEARCH:

Paul Chook's tip-on technique

Ziff Corporation's research chief is applying tricks he learned years ago to the current problems of special audience advertisers. And his results indicate he may have some answers to their unique needs.

Paul Chook, vp-research, Ziff Corp., is off on a new crusade.

He wants to measure the unique values of special interest media — in particular such Ziff-Davis publications as *Stereo Review, Flying, Cycle, Car Driver, Skiing, Boating* and *Popular Photography*.

Chook bewails the current emphasis on total audience counts, the quantitative media research that has become the standard for substantiating media recommendations.

He says there have been virtually no qualitative studies since the 1960's — the kind that were an Alfred Politz specialty. This has hurt the special interest books, he says, — motivating camera, motorcycle and other advertisers to move into the mass books. The advertiser has no way to measure the tremendous effect of editorial environment.

When Chook came to work for corporate chairman Bill Ziff, his new boss gave him the green light to develop probes that would snap special interest audience research out of this bind.

Paul is one of the senior statesmen in the media research business, having worked with Politz, Y&R and Simmons. He believes he has at least partially uncovered a way to get at the truth about special values in special interest. His method:

(1) Isolate a sample of subscribers. He did this with *Stereo Review* for April 1981 by pulling 905 regular copies out of normal distribution channels. Then he doctored those issues as described below and had them mailed to the sample first class to reach his sample at about the same time as normally-mailed second class copies.

Continued on page 80

Claimed ad recall

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	2	26	40	24	36
Pro Keds	5	19	54	14	40
Saab	6	25	41	16	26
Generic					
Sony	17	31	53	14	36
Denon	9	34	57	26	46
Heath	16	36	47	22	31

Verified ad recall

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	—	19	34	18	34
Pro Keds	—	16	45	16	45
Saab	1	20	35	19	34
Generic					
Sony	4	18	44	14	40
Denon	2	26	47	24	45
Heath	7	24	36	23	36

Brand awareness
(Top three brands)

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	64	64	64	—	—
Pro Keds	18	20	39	2	21
Saab	4	5	15	1	11
Generic					
Sony	28	42	48	14	20
Denon	2	4	6	2	4
Heath	2	5	5	3	3

Brand salience
("Comes to mind first")

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	44	44	46	—	2
Pro Keds	5	6	18	1	13
Saab	2	5	7	3	5
Generic					
Sony	8	13	17	5	9
Denon	1	1	3	—	2
Heath	1	2	2	1	1

(2) Tip-in additional test ads in copies going to the pre-selected sample. In the *Stereo Review* test, Chook added preprinted page ads for an Arrow shirt, ProKeds sneakers, Saab Turbo automobile (three general market products) and for a Sony Superscope tape recorder, a Heathkit "Super-Amp" stereo amplifier, and a Denon stereo turntable (three products generic to the readers of *Stereo Review*).

(3) Break the sample into three parts to measure effect on readers of exposures to the ads and of the frequency of exposure.

Sample segment A in the *Stereo Review* test got copies that carried one ProKed ad, one Denon ad, three preprints of the Saab ad scattered through the issue, three of the Heath ad and no Arrow or Sony ad. Sample segment B got one Arrow, one Sony, three ProKed, three Denon, no Saab, no Heath. Sample segment C got one Saab, one Heath, three Arrow, three Sony, no ProKed and no Denon.

(4) Keep track of who gets which doctored issue and, then interview readers on pretext of surveying opinions on editorial 24 hours after receipt and exposure to issue. This was set up in the *Stereo Review* test by two phone calls: one a week in advance to solicit cooperation on opening every spread day after arrival; the second to measure effect on respondents of exposure to the ads once, three times, or not at all.

(5) Measure claimed recall of each test ad, verified recall of reach test ad, brand awareness for products in each test ad and the brand that comes to mind first in advertised product categories ("salience").

This represents a lot of careful work. But the results (see tables on page 79) vary sufficiently to make it clear that Chook is on to something.

He's going to make a similar test of readers of another special interest book in the Ziff-Davis stable this spring. And he hopes to drum up enough advertiser and agency interest to expand this kind of probe to competitive comparisons of special interest books and mass audience books.

His system is designed to wash out the negatives that show up (very unfairly, the special interest publishers claim) in the sweeps of such syndicated audience researchers as SMRB and MRI.

Special interest magazines have fewer copies out in such public places as doctors' offices. The books go to people with special interests only — relatively small total audiences. Because they offer more durable editorial to persons who are at least semi-pros in the subjects covered, they have less pass-along, and more saving of copies. They inspire more frequent and more thorough issue reading. The hypothesis is that they offer an environment more conducive to ad communication.

> **"Most audience measures are concerned with amassing data on how many and what kinds of people read magazines. This doesn't indicate who reads an ad, or who gets anything out of it that is memorable. Ad dollars for a product could be a complete waste even though several million people can be shown to have looked at the book the ad appears in."**

How can such things be measured? Chook believes he has a way to dig out the answers.

One of the most significant factors in Chook's research: it is based on ad page exposure — not just issue exposure. Most audience measures are concerned with amassing data on how many and what kinds of people read magazines. This doesn't indicate who reads an ad, or who gets anything out of it that is memorable. Ad dollars for a product could be a complete waste even though several million people can be shown to have looked at the book the ad appears in. Chook's system jumps that hurdle.

Another important matter that Politz-trained Paul Chook takes into account: the degree to which the readers in his sample don't tell the truth. They don't mean to lie, but some people are honestly incapable of recalling what they have and have not read. Chook measures them.

In the table on page 79, you will notice that in the first column at the left of each table the percents of exposures reported by respondents to whom the ads were not exposed is reported. That's the measure of lying.

These figures are highest for generic products — the ads that the semi-pro readers of specialized magazines *think they must have seen*.

Some of this also results from seeing the same ads elsewhere — an honest error in recall by the respondents. Most of this is avoided in Chook's test by using only new ads.

This problem reminded Chook, when we chatted with him over coffee in his office at Ziff Corporation about a heart-breaking research effort he once was involved in — we won't say when. He was doing a test of the kind reported here and went through all the steps with great care: tipped-in ads, proper sample and good phone interviews.

But somebody forgot to eliminate the sample readers from the regular mailing list for the issue being tested. The sample readers all got two copies — one the test copy, one the regular copy. The whole test had to be dumped.

No wonder most media researchers are grey haired — or devotees of Grecian Formula! Surprisingly, Paul has survived the years since his Politz days without much change.

Also note in the tables (page 79) the two columns labeled *lift* at the right of each chart. These are the percentages minus lying — the *true lift* of a single ad exposure and the greater *lift* produced by three exposures.

The *Stereo Review* study was made among 905 subscriber/readers of the April 1981 issues in three equivalent matched samples in three geographically dispersed markets: Baltimore, Cleveland, San Francisco. Test ads were secured from advertisers and agencies that showed interest in the idea and who had appropriate pages available. Admar Research, Inc., conducted the test and completed interviews with 480 subscriber/readers.

Carroll J. Swan

Brand Report 75:

Cameras

Eastman Kodak's new disc camera will be launched with a $40 million campaign.

After several years of steadily increasing ad budgets, camera industry media expenditures were flat during the first nine months of 1981, compared to the same period for 1980. Heavy Christmas season advertising brought some of those shrinking budgets back up to par, but is the advertising growth cycle over? Not according to camera marketers. This year, Eastman Kodak launches a $40 million ad campaign to introduce its new disc camera, Polaroid brings out two new camera models, and the Japanese camera manufacturers are gearing up for heightened competition on all fronts.

Media spending by the camera industry in 1981 was like a photographic impression of advertising commitments from the year before.

What had been a steadily growing advertising category seemed to peak in 1980 at about $170 million. Through the first nine months of 1981, spending for the industry as a whole was 2.7% behind the same period for 1980 going into the heavy-up Christmas season, according to Leading National Advertisers and Broadcast Advertising Reports.

Indications from photography marketing specialists, however, suggest that 1981 advertising activity was really the lull before the storm. Already this year, Eastman Kodak has announced plans for its biggest single ad budget in the company's 101-year history to launch its revolutionary new disc viewfinder camera.

Polaroid, the principal competitor to Eastman Kodak, began a pre-Easter television advertising blitz with the Academy Awards telecast on ABC to introduce its new Amigo 620 and the Sun 650.

Canon continues to increase its ad budget, primarily supporting the new and improved AE Program line of cameras and accessories.

Each of the new campaigns is the result of technological breakthroughs. The industry's reliance on technology has split the camera market in two, divided between the rank amateur looking for the easiest, most foolproof means to a snapshot, and the hardboiled professional who wants the benefits of advanced electronics, computerized miniaturization — and point-and-push automation when he wants it and full manual override when he doesn't.

The marketing problem for the manufacturers of single lens reflex cameras (SLR's), which tend to be the more sophisticated and versatile types of cameras, is how not to offend the professional photographer while trying to open the product's accessibility to a mass consumer audience. Stated another way, how do the SLR cameras attract the mass consumers to a high precision, high technology tool without intimidating them?

Walking into a camera specialty store to buy even the most automated SLR camera requires the consumer to make some heady choices between technologically advanced features.

Does the buyer want an aperture or shutter priority metering system? Should the metering system be the match-needle variety or an LED indicator-guide? Should he add a motor drive or power winder option? How important is shutter speed capacity? Does the camera have a wireless remote control feature and an interval timer? Is there a synchronized and meterized integrated flash system? Does he really need a quartz-driven module on the back of the camera that imprints the number, day and date of the photograph on the negative? Is the camera self-winding? Is the winder built in? Does it load itself?

The SLR camera companies have tackled the marketing problem through a two-prong media strategy.

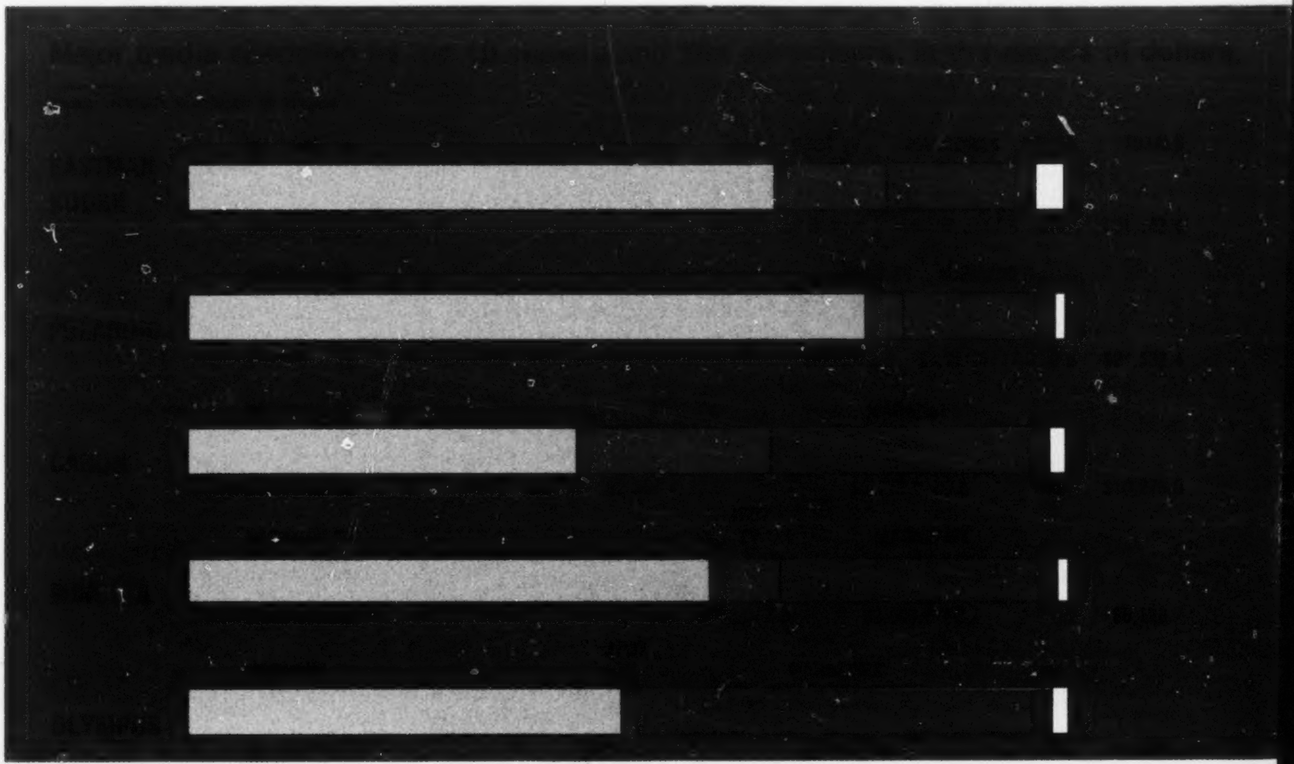
As a rule, camera companies use network and spot television to convey the image of the product and to demonstrate the ease and automation of the camera. The tv campaign is backed with strong print campaigns divided between consumer magazines and photographic fan and trade books.

While several of the television commercials show sports figures and actors and actresses mastering the high technology SLR, the corresponding print campaigns are more of the "Let us explain" variety, chocked with detailed copy delving into the finer features of the camera model or camera line.

For the manufacturers of instant cameras, viewfinders (where the photographer does not see the image through the lens and must adjust for the actual position of the subject), and cartridge film cameras, the marketing problems are less exacting. Their products are strictly for the mass market consumer interested in taking snapshots rather than the more vaunted photograph.

The problem develops, however, over whether these cameras, made primarily by Eastman Kodak and Polaroid, can produce a satisfactory photographic image in the face of the SLR competition. It is this concern which led Polaroid to run a print campaign of unretouched instant photographs demonstrating the Polaroid Sun camera's ability to capture detailed clarity and realistic color reproduction.

With their campaigns aimed at the most general consumer market, Kodak and Polaroid maintained massive ad budgets. In 1980, according to LNA, BAR and Media Records, Eastman Kodak and Polaroid accounted for about $90 million of the $170 million in ad dollars for the entire industry.



During the first nine months of 1981, Eastman Kodak was 13.5% ahead of the same period for 1980, while Polaroid was up 6.3% with a dramatic 58% increase in magazine expenditures.

The camera industry as a whole reported declines in each major medium during the first nine months of 1981 except for newspaper supplements and outdoor advertising. Together the supps and outdoor accounted for about 1% of total camera ad dollars.

Network television continued to dominate the ad budgets, accounting for slightly more than 50% of all camera ad dollars. Spot television, which is the mainstay for several of the camera manufacturers with smaller ad budgets, was running 10.5% behind the first three quarters of 1981. Spot tv accounted for about 14% of total camera ad dollars — losing 1% of the total share to supplements and outdoor.

Magazines, which make up 29% of the camera media mix, were running almost even with the year before during the first nine months of 1981. Network and spot radio attracted fewer camera ad dollars than outdoor and newspaper supplements.

As several camera marketing executives told *Decisions*, they are in the business of the photographic image, and the lack of visuals in radio has rendered that medium generally ineffective for camera marketing.

There are certain marketing realities that all camera manufacturers share. First, there is a tendency to heavy-up on advertising during the second and fourth quarters of the calendar year. The fourth quarter, obviously, is the Christmas sales season.

The second quarter contains several key holidays, such as Mother's and Father's Day and Easter, all of which are both gift-giving occasions and picture-taking events. Further, all of the camera companies look to the 18-45 year old male as its primary target audience, with women and families as secondary markets.

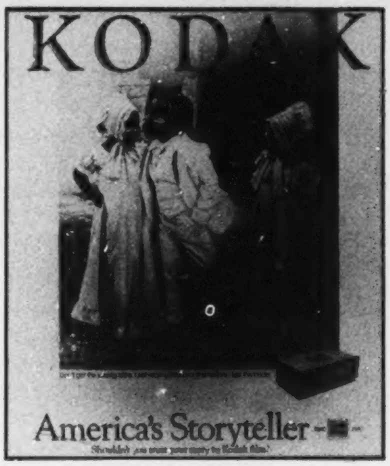
Finally, each camera model is subject to the fate of technological advancements. The 110 cartridge cameras gave way in the late 1970's to the SLR. As the SLR grew in popularity, it became smaller and more automated while dealing a severe blow to 110 sales.

As the 110 camera became moribund, Eastman Kodak stepped in to fill the void with its disc camera, which industry experts are predicting will lay to rest the 110 camera forever, and could seriously cut into the low end SLR market — although most photography industry executives still believe that the disc viewfinder is in a different market than the SLR.

Despite these similarities, there remain distinct differences in the marketing and advertising approaches among competing camera concerns. Many of these differences, however, are the function of budgets rather than differences in business philosophy.

There is a controversy within the camera industry over the preponderance of celebrity spokespeople in ads, especially in television commercials. The argument for using celebrities: well-known faces help get across the camera's name while also demonstrating that an amateur can use the product.

The counter viewpoint stresses that celebrities don't sell cameras — that



Promoting its place as "America's storytellers," this Eastman Kodak film ad won a Communications Excellence to Black Audiences award for best color ad for consumer publications. The ad appeared in *Newsweek, People, Essence, Ebony* and *Better Homes & Gardens*.

cameras sell themselves. Further, the critics argue, the sheer number of celebrities and sports figures representing camera lines creates confusion rather than product identity. Can you match the spokesperson to the camera: Michael Landon, Bruce Jenner, Nancy Lopez, James Garner, John Newcombe, Mariette Hartley, Tracy Austin, Peggy Fleming, Cheryl Tiegs, Sir Laurence Olivier and Candice Bergen.

There is a tendency among the SLR companies to use sports spokespersons. The exceptions are Olympus, which uses model Cheryl Tiegs, and Nikon, which uses no celebrities at all.

The general reliance on sports figures, however, matches the camera companies' major buys into sporting event sponsorships. Fuji films and cameras is an official sponsor of the 1983 U.S. Pan American Team and the 1984 U.S. Olympic Team. Fuji signed on former Olympic gold medalists Frank Shorter and Wilma Rudolph to head up a special sales promotion team.

It is Canon, though, which is most identified with sports sponsorships. Using its muscle as the most advertised SLR brand, Canon has become the "official" camera of the New York Yankees, Los Angeles Dodgers, Atlanta Braves and Chicago Cubs in baseball. Canon has also advertised on the Superbowl, the Olympics, basketball and track and field events, as well as sports events shown on each of the three cable superstations.

Not every camera company — even the big budget advertisers — agrees with Canon's sports affiliation approach.

James Andrews, advertising director at Polaroid, says: "We've never felt that being a billboard sponsor of a sports team or a particular sports event was as effective as just buying time on the same show. The signs at the stadium aren't as effective as they used to be. Cameras now avoid the advertising signs during the course of the game. They've caught on that they were just giving away free ad time.

"The other side of it is that through sports sponsorships, the camera advertiser can get tickets to major sports events and use them as giveaways to major retail outlets. But Polaroid distributes to chain stores and mass merchandise outlets. I doubt that Sears is going to buy Polaroid cameras just because we can get them into the stands for some tournament. The smaller photography specialty stores may be more influenced by that."

Says John Jacobs, associate media director at Grey Advertising, who handles media on the Canon account: "Sports are the biggest single component of the Canon media strategy. The reason for that is not so much to get tickets to give to dealers as it is a way to reach both the commercial and the professional camera market at the same time.

"Our first target is men, 18 to 34. Sports deliver that audience.

"With billboard exposure at the stadium or arena, we also reach the professionals. At any event at Madison Square Garden, there are 50 to 100 photographers on hand who are exposed to the Canon sign. At the Superbowl, there are 250 pro photographers along the sidelines. Furthermore, the state of the art of sports photography highlights the best uses of the 35 millimeter camera."

The marketing and media strategies of the camera companies divide in large part between the big budget "haves" and the smaller ad budget challengers. The following is an at-a-glance analysis of the leading millionaire camera brands media campaigns.

Eastman Kodak

The most talked about development in the photography industry for 1982 is the introduction of the new Kodak disc camera and Kodacolor HR disc film. Backed by a reported $40 million introductory ad campaign, J. Phillip Samper, general manager of the photographic marketing group at Eastman Kodak, says it will be the "largest advertising campaign in the 101-year history of Kodak."

The campaign for the disc camera will herald a "brand-new world of decision-free photography," highlighting the virtually mistake-proof disc film format and the electronic technology of the pocket-size camera. The ads, developed and placed by J. Walter Thompson, will promote the camera's electronic features and motorized film advance. The three-model disc camera line will carry a suggested retail price between $70 and $150.

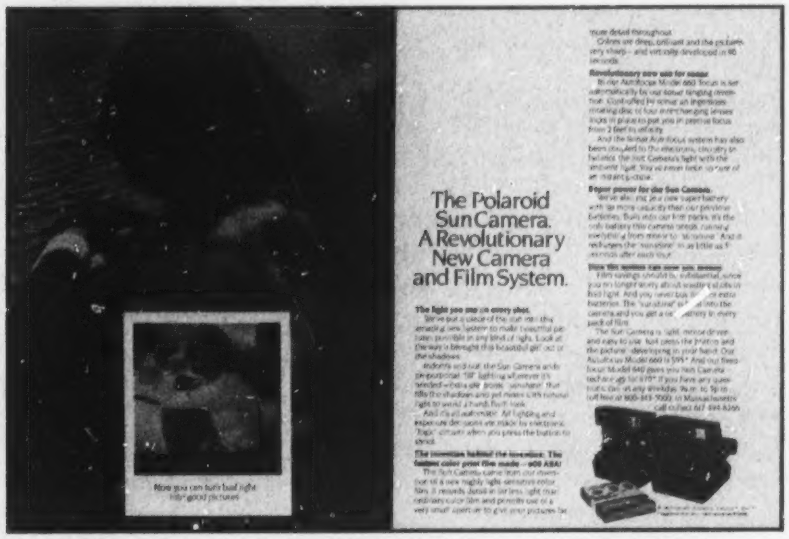
"Advertising efforts will be directed primarily to amateur photographers, such as pocket-camera users," says Samper.

To reach that audience, Kodak will launch the disc camera with 90-60 and 30-second commercials on primetime network programs such as *60 Minutes, Lou Grant, Mork and Mindy, Father Murphy, Little House on the Prairie,* and *M*A*S*H,* among others.

The print campaign will include four-color two-page spreads in major consumer publications such as *TV Guide, Time, People* and *Sports Illustrated.* Four-color single page ads for Sunday supplements are also scheduled to run in major market newspapers across the country. The entire campaign is backed by extensive in-store promotional materials and a nationwide sales training effort.

John Robertson, vp-assistant general manager of Kodak's U.S. marketing division, told the Photographic Marketing Association last February that Kodak's research into marketing the disc camera revealed that the disc is more than a new photo system.

"It's an expanded base for photography," said Robertson. "Our analysis shows that the consumer who will be most interested in purchasing these products will be the satisfied users of easy load, or 110 and 126 format cameras who already enjoy taking pictures.


The Polaroid Sun Camera. A Revolutionary New Camera and Film System.
Now you can turn bad light into good pictures

Using magazine advertisements to explain in detail the features of the Polaroid Sun Camera, Polaroid runs a two-page spread to demonstrate the detail and clarity of its instant photographs.

"Another group of likely users will be made up of those who are considering photography for the first time. And a third group is composed of 35 millimeter users who may wish a convenient second camera for themselves or their families.

"But the main characteristic of all three interested groups is this: each is made up of consumers who by and large probably would not otherwise purchase a new camera in the near future. That means a lot of potential new business that wouldn't be there without the disc camera."

The introduction of the disc camera ad campaign will bolster what had been a steadily increasing advertising budget. During the first nine months of 1981, Eastman Kodak advertising on its cameras, films and film processing lines was running 13.5% ahead of the same period for 1980.

Of the $31 million spent in major media, excluding newspapers, during the first three quarters of 1981, Kodak relied heavily on network television. More than two-thirds of Kodak's entire advertising budget went to network tv. Spot television, which had its budget tripled to $3.4 million in the first nine months, still accounted for only 10% of the total ad budget. Magazines, at $5.5 million, remained Kodak's second primary medium.

Eastman Kodak is also the only major photographic advertiser to use network radio. In 1980, Kodak spent $887,600 in network radio, according to LNA/BAR — plus $283,000 in spot radio, as measured by RER. In 1981, Kodak cut the network radio budget to $406,600 and switched the campaign from Kodak photographic paper to Kodak instamatic cameras.

Kodak is also the largest photographic advertiser using newspaper supplements and outdoor. In addition to a newspaper budget in excess of $3 million in each of the past two years, Kodak last year spent over $60,000 promoting Kodak Ektra cameras in newspaper supplements — a figure that should increase considerably with the new disc campaign. Outdoor advertising for films and cameras increased 66% in the first nine months of 1981 to $384,200, according to LNA.

Polaroid

Polaroid is the second biggest photographic advertiser, behind Kodak, and it too is prepared to launch a major new product campaign.

Beginning with the Academy Awards program, Polaroid will begin a major television and print campaign for its new Amigo 620 camera and the Sun 650 with close-up lens.

While James Garner and Mariette (I Am Not Mrs. James Garner) Hartley will continue to team up in ads for the Polaroid Sun 650 instant camera, Hartley will be paired with the Muppets to promote the Amigo camera.

Ted Voss, Polaroid's vp-marketing communications, says: "We put them together because we feel it's the strongest and most immediate way to catch the viewer's attention. People will make an instant connection that they're watching a Polaroid commercial and that the style of it, like Polaroid, is full of fun."

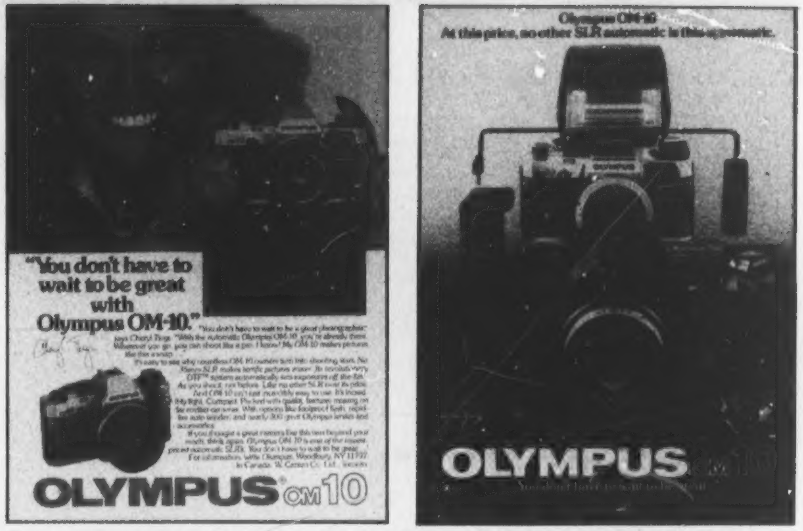
In the commercials, developed by Doyle Dane Bernbach, Hartley and Miss Piggy will vie for the attention of Kermit the frog. The Muppets as a whole will also appear in Polaroid's advertisements promoting instant photography in general, with a network television campaign aimed at the peak holidays of Easter, Mother's Day, Father's Day, the Fourth of July, and at graduations and weddings.

The Amigo 620 camera will debut through 30-second spots on network programs such as *Lou Grant*, *60 Minutes*, *M*A*S*H*, *Hill Street Blues*, and *Love Boat*, as well as specials such as *Ain't Misbehavin*, *Country Music Awards*, and *The Mac Davis Special*.

Through the television campaign, Polaroid said it expects to reach 91% of the adults in America an average of eight times.

The Amigo will also be advertised heavily in several national consumer publications, such as *Time*, *Newsweek*, *People*, *TV Guide*, *Southern Living* and *Us*.

The Sun camera line will begin with a network roadblocking campaign in April aimed at the affluent segments of the camera-buying market. A print


Olympus OM-10
At this price, no other SLR automatic is this automatic.
"You don't have to wait to be great with Olympus OM-10."
OLYMPUS OM10
OLYMPUS

Two approaches to print ads for the same camera model are shown in these two examples from Olympus. In consumer magazines, Olympus features an autographed endorsement from model Cheryl Tiegs, who also appears in Olympus' television campaign. The print campaign for the photography fan publications, however, uses a strict product approach.

campaign will support the network ads beginning in May with pages in *Time, Newsweek, Sports Illustrated, Fortune, Psychology Today, Esquire, Better Homes & Gardens, The New Yorker, U.S. News and World Report* and *People*.

"We are not in the packaged goods business," explains James Andrews, Polaroid's advertising director. "So we go for impact in our ads. We use network television to demonstrate the product and to let the viewer see what instant photography is about. In print, we have more time to explain the features of the camera and we can print four-color photographs in such a way that they can be studied. We never retouch the photos shown in the ads."

According to Andrews, Polaroid shuns spot television because they are a nationally distributed product line. "Our business is the same across the country," he says, "so there is no reason for us to use spot tv except to cover variances in network delivery on a market by market basis."

Polaroid, like Kodak, spends the lion's share of its ad dollars in network television, with print the second major medium used. When the principal competition is the high-spending Eastman Kodak, it makes sense for Polaroid to go at its chief rival head-to-head. But, according to Andrews, the competition is more than just Kodak.

"I think we compete with all of the in-home and near-to-home entertainments," says Andrews. "With total disposable income down and the home entertainment field expanding, the competition is getting stiffer all the time."

To maintain its distinction within a crowded field, Polaroid continues to rely on the celebrity spokesperson. Despite the criticism from others that the reliance on celebrities helps make a crowded field even more confusing to the consumer, Andrews maintains that the Garner-Hartley series and other Polaroid celebrities used before them helped Polaroid's image with the consumer and also broke new ground for celebrity representations of commercial products.

"Our ads made it respectable for important actors in the prime of their careers to do ads," said Andrews. "That's true for our ads using Sir Laurence Olivier, Brenda Vaccaro, Alan Alda, Candice Bergen, as well as Jim Garner and Mariette Hartley.

"If you don't take them out of their natural characters, appearing in the ads won't hurt them. We never have the celebrities endorse the product, nor do we even mention their names."

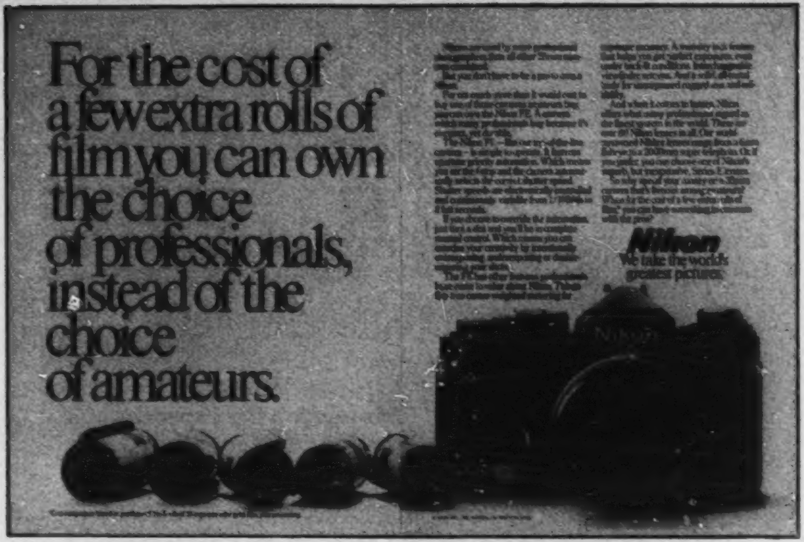
Canon

Among the 35 millimeter SLR camera lines, Canon is the leader both in market share and advertising budget. After spending $17 million in major media in 1980, according to LNA and BAR, Canon was running about 8% ahead during the first nine months of 1981. Unlike its instant camera and pocket camera rivals, Canon's media mix is fairly evenly divided between network and spot television, major consumer magazines and photography fan and trade publications. The company also spent $140,000 in outdoor during the first nine months of 1981.

John Jacobs of Grey Advertising said, "Part of the effort is to make the Canon Corporation a big corporate name. The use of outdoor is part of

YOU DESERVE A LOT MORE FROM A 35MM CAMERA THAN JUST AIM, FOCUS AND SHOOT.
PENTAX

Pentax print campaign strikes out at the strictly automated 35mm SLR camera, stressing the capacity of its Super Camera to go from automatic to manual control, a feature preferred by professionals.


For the cost of a few extra rolls of film you can own the choice of professionals, instead of the choice of amateurs.

Nikon

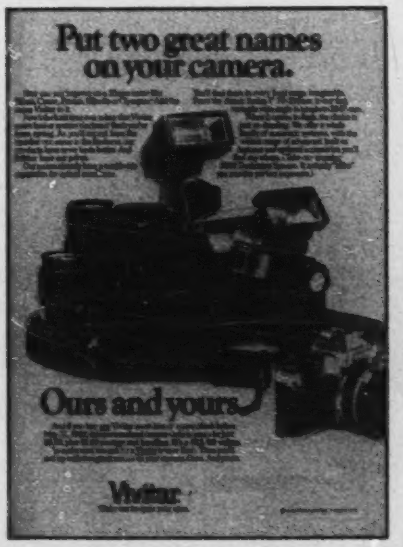
We take the world's greatest pictures.

Nikon touts its image as the 35 millimeter SLR camera preferred by professional photographers, while suggesting that the price of its cameras is not out of the grasp of the serious amateur.

that. It is not a product campaign or a corporate campaign, but rather a name identification campaign. Many of the outdoor displays simply have the Canon logo on them."

The biggest campaign for Canon in 1981 was the promotion of the AE Program, a line of cameras extending the AE model line. This campaign caused one advertising director at a competing SLR camera house to lament: "Canon is the Procter & Gamble of the photography industry. Look at what they do. First they develop a first class product, then they come out with a new and improved version of the same thing and spend more advertising dollars on it than the competition can come up with."

Jacobs would agree.


Put two great names on your camera.

Ours and yours.

Vivitar

Don't be afraid of the dark.

Vivitar

Two different approaches to marketing the same line of accessories is put forward by Vivitar. In the ad above left, Vivitar offers a free monogramed camera strap promotion in an ad demonstrating the entire accessories line. The second ad is both an image ad and a demonstration of the results one can attain using the Vivitar flash units.

"I think that's a fair assessment of Canon's strategy," says Jacobs.

"Canon would like to raise itself to become the IBM or the Xerox of photography. The goal is to make Canon's name synonymous with the field."

To that end, Canon has gone heavily into sports sponsorships, advertising on baseball, basketball, hockey and other sporting events.

In addition, television ads were placed on several primetime network shows, late news broadcasts, documentaries, and the morning network lineup of the *Today Show, Good Morning America* and the CBS *Morning With Charles Kuralt*.

Canon also relied on the celebrity spokespersons through a series of ads that included a professional photographer turning over his camera to a professional sports figure turned amateur camera buff.

"The celebrities never promoted the product directly," says Jacobs, "unlike the Cheryl Tiegs ad for Olympus. Our ads showed a professional photographer shooting a pro athlete, and at the end turning the camera over to the sports figure."

While the Canon media mix was spread across the spectrum, radio was not included.

"We spent a lot of time looking into radio," says Jacobs, "but we couldn't convince ourselves that it would work. Magazines and television are fantastic for creative on camera ads.

"But radio removes the strength of using the visuals. And for that reason, we think that outdoor is more effective for Canon than radio."

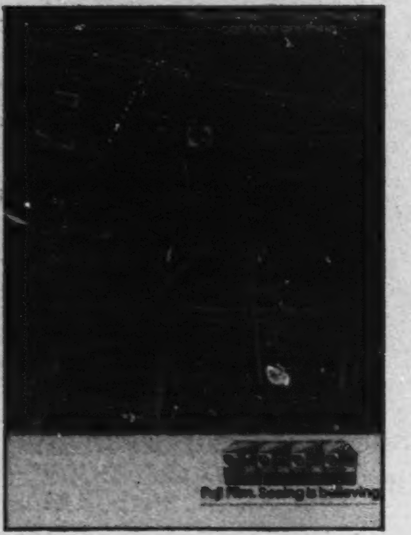
Pentax

According to LNA and BAR, Pentax, which holds the second largest share of the SLR market despite being only the fourth biggest SLR advertiser, registered a 14.7% cutback in ad dollars during the first nine months of 1981.

"Those figures are wrong," says Bob Newmark, vp-marketing for the Colorado-based camera company. "We actually had an increase in spending in 1981. The media measuring sources only seem to catch about 60% of what we really spend."

Pentax spent over $5 million in major media during the first three quarters last year, divided evenly between spot and network television, with magazines drawing about half of the spot tv budget, or $1 million. Again, Newmark maintains that the LNA/BAR figures for television are off.

"The media mix is about 60% spot tv and 40% network," says Newmark. "Spot television spending was up 15% to 20% last year. We used spot to get extra weight in our key metropolitan markets. It's the old saying, 20% of your customers account for 80% of your market."



Attempting to take a share of the film market from the leader Eastman Kodak, the Fuji film campaign demonstrates the lifelike results from its film.

The tv buys included sports sponsorships on CBS Sports and ABC's *Wide World of Sports*, among others. Pentax also advertised on network news programs and made spot and network buys in primetime fare.

Newmark says, "Everybody out there is a prospective customer, but our main target is the higher income, well educated male. If we're buying sports, men are watching. We don't buy into the daytime soaps at all."

In print, Pentax maintains franchise positions in the photographic fan and trade publications. The company also advertises in several national consumer books, such as *Time*, *Newsweek*, *Playboy* and *Life*.

"We use radio a little here and there in some cooperative advertising with local dealers," adds Newmark. "But basically, we're in the business of selling pictures and there are no pictures with radio. Radio just doesn't work for us."

Newmark declined to reveal ad budget projections for 1982, but a new ad campaign effort is anticipated following the change of agencies at Pentax. The account left Ally & Gargano and Cunningham & Walsh earlier this year, transfering to the Minneapolis-based Campbell-Mithun.

"We reviewed our objectives for the next few years," says Newmark, "and we decided we need an agency that is big, but not so big that we would get lost. The new agency will handle product introductions and marketing support."

Konica

After using women's golfing champion Nancy Lopez to promote its SLR cameras, Konica has sworn off the celebrity promotion bandwagon.

"Using celebrities is the mistake we made and the mistake all the others are still making," says Ken Caro, director of marketing for Konica. "The celebrity is not what sells the camera."

Konica appears to be readying itself for another big advertising push this year after a reported decline in advertising activity last year.

According to LNA and BAR, Konica was running 46% behind during the first nine months of 1981. The company was also active only in the spot television medium, having dropped completely out of print advertising in 1981.

"There is no way that we were down 46% in advertising last year," says Caro, who declined to give Konica's correct ad figures. "We did drop out of magazines. With a limited budget compared to the competition, we felt we had to go for the impact of spot tv. But we are going back into magazines this year."

In addition to ads in the photographic fan and trade publications, Konica this year will appear in *Esquire*, *Money*, *Newsweek*, *Travel & Leisure*, *Signature*, *Gourmet*, *Discover*, *Science Digest* and *Psychology Today*, among others. Konica's FP-1, a fully-programed SLR with interchangeable lenses, will be featured in consumer magazines, while the more sophisticated Konica FS-1 will appear in the fan and trade books.

The reliance on spot television is based on the limited budget ($3.1 million in 1980), stretched to concentrate on key markets. Konica buys programs in sports, news and late night talk shows on a spot basis.

Vivitar

In 1980, according to LNA, BAR and Media Records, Vivitar spent $3.5 million promoting its 110 camera.

"We've had a shift in emphasis since then," said Bruce Cummings, director of U.S. marketing for Vivitar, whose main business is in optional camera lenses and accessories. "We spent our ad dollars against the 110 camera we make instead of on the 35 millimeter camera accessories. Then the 110 market began to decline. Essentially, now it is completely dead with the introduction of the Kodak disc camera. We have redesigned our campaign to promote our lenses and accessories."

> **"Konica's photography fan book ad campaign emphasized some of the more technical aspects of the FS-1, such as self-loading and built-in winder."**

With Vivitar's ad expenditures running even in 1981 compared to 1980, the accessories company switched its emphasis from spot television to magazines.

"Going heavier into magazines was a question of budget efficiency," says Cummings. "We need to reach the professional photographer, so last year we went heavy into the fan, general consumer and major newsweeklies. Spot television was used in the fall to set off the pre-Christmas season. All other media were out. We've got enough problems stretching our budget to cover spot tv and magazines."

A new campaign is also expected from Vivitar this year, especially after the company dropped BBDO/West this year in favor of the Beverly Hills-based Keye-Donna-Pearlstein agency.

"We're going in new directions," says Cummings. "We feel we need a smaller shop to handle it. It's time for a change."

Craig Reiss

MAY 1982 • $3.00

MARKETING & MEDIA Decisions

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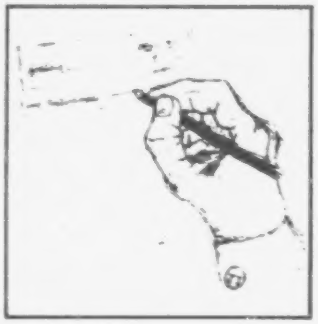

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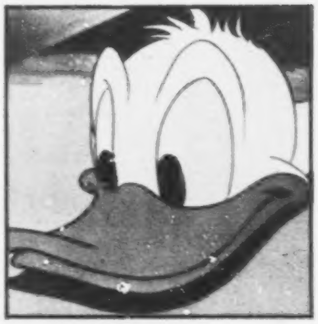

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CABLESCAN

Is a national cable buy a fantasy for now?

With thousands of individual cable franchises spread across the country, few ad agencies have been able to use the cable medium effectively for spot buys.

Instead, media buyers refer to buys made on cable networks as a so-called "national cable buy." But does such a buy really exist?

A.C. Nielsen recently released its cable universe estimates for February 1982, and the numbers reveal some interesting facts about cable's current capacity to deliver major markets across the country.

While total cable penetration nationwide is estimated by Nielsen at 29%, penetration in the top 30 Nielsen Station Index Designated Market Areas (DMA) for total tv households is 21.3%.

Continued on page 30

Cable universe in the top 30 tv markets

Designated Market Area	Total Tv households (000)	Cable households (000)	Ranking in top 50 Cable DMA's	Cable penetration %
1. New York	6,409.7	1,565.6	1	24.4
2. Los Angeles/Palm Springs	4,214.6	833.8	2	19.8
3. Chicago	2,944.8	174.5	35	5.9
4. Philadelphia	2,400.7	706.7	4	29.4
5. San Francisco/Oakland	1,950.2	787.9	3	40.4
6. Boston/Manchester/Worcester	1,920.1	348.2	8	18.1
7. Detroit	1,658.9	135.4	50	8.2
8. Washington, D.C./Hagerstown	1,467.6	179.9	31	12.3
9. Cleveland/Akron	1,402.0	311.2	10	22.2
10. Dallas/Fort Worth	1,355.9	201.5	26	14.9
11. Houston	1,255.0	236.0	17	18.8
12. Pittsburgh	1,202.4	545.8	5	45.4
13. Miami/Ft. Lauderdale	1,099.6	198.6	27	18.1
14. Seattle/Tacoma	1,093.8	390.0	6	35.7
15. Minneapolis/St. Paul	1,071.3	74.9	—	7.0
16. Atlanta	1,062.6	245.0	14	23.1
17. St. Louis	1,029.4	85.4	—	8.3
18. Tampa/St. Petersburg/Sarasota	1,028.7	227.3	20	22.1
19. Denver	858.9	105.6	—	12.3
20. Baltimore	835.1	66.8	—	8.0
21. Sacramento/Stockton	833.7	203.1	25	24.4
22. Indianapolis	804.4	192.8	28	24.0
23. Portland, Ore.	789.3	156.2	40	19.8
24. Phoenix/Flagstaff	727.1	103.2	—	14.2
25. Hartford/New Haven	707.8	329.9	9	46.6
26. Cincinnati	707.5	103.2	—	15.4
27. San Diego	699.1	390.2	7	55.8
28. Kansas City	688.9	209.3	23	30.4
29. Milwaukee	679.1	72.6	—	10.7
30. Nashville/Bowling Green	675.8	137.1	47	20.3
TOTALS	43,575.1	9,317.7	—	21.3

Source: A. C. Nielsen Co. cable universe estimates for Feb., 1982, and Nielsen U.S. tv household estimates for Sept., 1981.

CABLESCAN

(from 26)

According to the Nielsen data, a national cable network buy — even if the programing service is received by all cable franchises in the U.S., and none are — would reach less than 175,000 households in Chicago, Detroit, and Washington, D.C., and less than 100,000 households in Minneapolis-St. Paul, St. Louis, Baltimore and Milwaukee.

In total, 40% of the top 30 Nielsen DMA's for broadcast television households are not among the top 30 cable DMA's. Of these, seven are not listed among the top 50 cable DMA's according to total number of households reached.

Hadassa Gerber, senior vp-director of new media technologies at McCann-Erickson, says the Nielsen data are no real surprise, but adds that the report should signal a major new phase in cable's development.

"Cable isn't a national medium," says Gerber. "Everyone knows penetration has been the lowest in the top markets. On the other hand, the rate of penetration in the top markets has been increasing over the past few years at a much higher rate than for the rest of the country.

"This is a new era for cable. If you look at the strongest and newest cable networks, you see them skewing more for the A and B counties, even though C and D penetration is greater."

Gerber says the next phase of cable franchise expansion will be unlocking access to the major markets.

"Phase two in cable development will be propelled by pay cable and tiering," says Gerber. "The A and B counties don't really need cable for improved reception."

In the meantime, Gerber says cable cannot be viewed on a national basis.

"Cable programing is not distributed equitably all over the nation," says Gerber. "Magazines in large part are the same way. If you make a national magazine buy, you may have to fill in the south with an extra buy in *Southern Living*, say, because most magazines skew to the north and northeast."

The cable threat and the NFL contract

When National Football League commissioner Pete Rozelle last month announced the signing of a new five year, $2 billion contract with the three broadcast networks to air NFL games, most industry observers speculated that the size and length of the deal was aimed in large part at freezing cable tv out of the nets' biggest money property.

At least one media expert, however, sees the new network-NFL deal as a ploy by Rozelle to use the threat of cable to inflate the networks' ante and give cable time to mature as a medium, both in audience reach and production capability.

David Martin, senior vp-broadcast media at Campbell-Ewald, explains the maneuvering this way: "Pete Rozelle is a very bright man who obviously recognized that if he had written a short term contract, he might have killed cable's chances for long term growth with the NFL.

Rozelle's posturing, however, was not aimed solely at the present state of affairs in cable or broadcast, according to Martin.

"Rozelle has made an implied endorsement," said Martin, "that in 1987 when the network contract expires, cable will be a full-blown bidding competitor with the other networks. He has been able to sell the networks on paying big dollars now to lock out cable, when he really wanted to keep cable out all along until it's ready.

"After the networks have paid this big price to give cable time to grow up, they are going to face a new, stronger competitor in 1987, which will inflate the cost of the programing all over again."

In the interim five years, Martin says, advertisers will play a growing role in helping develop cable television as a legitimate and capable contender in primetime sports fare, as well as other kinds of programing.

Martin has already had a hand in bringing major ticket sports programing to cable, starting this fall, for Campbell-Ewald client Chevrolet.

Martin said he had been looking for a sports property that would offer product exclusivity for Chevrolet. Network sports coverage was either too expensive or already filled with automotive exclusivities, he said. The alternative was cable, but the cable programing sources could not offer precisely what he wanted: big name American football in primetime.

Martin said he discussed the need with several cable networks, including Ted Turner's WTBS SuperStation in Atlanta. Martin had his sights on the NCAA football contract that was coming up for bidding in a few days. Martin and WTBS president Robert Wussler discussed the amount it would take for WTBS to win the bid. Wussler cited a figure of $20 million, according to Martin.

Martin then took the idea to Chevrolet, which quickly backed it, authorizing Campbell-Ewald to tell Turner that Chevy would buy up the automotive exclusivity position in the NCAA cablecasts if Turner could win the bid. With that commitment, Martin says, WTBS went to the $20 million limit, won the NCAA franchise for 19 games over two years, and provided Chevrolet with exclusive exposure.

The cooperative financial relationships between advertiser and cable network will expand, Martin says, not only at Campbell-Ewald, but at other agencies.

"Do you think that Campbell-Ewald is not looking at the end of the NFL's five year pact?" Martin asked rhetorically. "The question now is how to develop relations with the cable networks that will allow you to cash in in five years. While I firmly believe you should never make a bad buy in anticipation of a good one, it is still essential now that we start developing good, creative working relationships with the cable networks."

MAGAZINES
by JOEL FISHER
vp, Compton Advertising,
New York.

Compton's view of magazines — part one: How healthy?

Word has it that these are not the best of times for magazines.

The trade press has given wide coverage to the fact that certain large and well known publications have fallen on hard times — particularly in the women's service area. There have been several well publicized rate base drops while other rate base reductions are rumored to follow within a short period of time. The magazines themselves have adopted a certain defensive posture which suggests that there may be some truth to speculations of hard times.

They are declaring, and perhaps a bit too loudly, that in fact there are no major problems. It is perceived by some that perhaps these magazines "do protest too much" — the catalyst which promoted them to defend their position with such vigor, was, and is, a leak in the dam. Instead of using appropriate measures to secure their position, they have in effect built a castle of words to hide behind. The question remains, are magazines in trouble?

> **"Magazines have adopted a defensive posture which suggests that there may be some truth to speculations of hard times. It is perceived by some that perhaps these magazines 'do protest too much.'"**

Answer: perhaps.

Certainly, selected magazines are less well off than they would like to be, while others are doing quite well. An interpretation of available data can lead one to conclude that either magazines are in trouble or that they're doing well, if not spectacularly at least as well as could be expected.

We will let you draw your own conclusions based on the following evidence.

After enjoying several years of spectacular page sales gains, the number of advertising pages sold has leveled off in 1980 (in fact, there were fewer pages sold in 1980 than 1979).

Year	Pages	% vs. year ago
1980	114,705	100%
1979	114,957	105%
1978	109,082	110%
1977	98,768	115%
1976	85,532	—

Source: PIB.

Certainly a statistician reviewing these data would conclude that there is a definite downward trend in magazine page sales. Such a trend, it would be surmised, would continue into the future and we should expect to see significant losses (5% yearly) of page sales in the immediate future.

An arguably more simplistic analysis (ours, actually) of the same data might suggest that magazines have attained a peaked plateau. A satisfactorily high level that, for the immediate future at least, they should be able to maintain, and perhaps at some later point exceed.

In spite of page trends, general magazine advertising revenues have continued to increase at an authoritative rate and show no signs of slump.

Year	Dollars	% vs. year ago
1981	$3,222,747,000	112%
1980	2,872,621,000	109%
1979	2,633,979,000	111%
1978	2,364,769,000	120%
1977	1,965,411,000	—

Source: PIB/LNA Magazine Ranking Reports

Not only do magazines exhibit sustaining dollar strength as an absolute measure, but also in a relative sense versus other media. (See table on this page).

In 1980, magazines commanded a larger slice of the advertising pie (22.4%) than ever before.

Nor have the top ten advertisers shown any significant trendable breach of confidence in the medium. (See table on next page).

An evaluation of the past five years shows that in 1980 magazines enjoyed the second highest percentage of total advertising revenues over that time period. However, these data might be somewhat confusing as five of the top ten non-cigarette advertisers decreased their magazine allocations in 1980 versus 1979.

And, of course, there has been a great deal of discussion as to the number of magazines which have closed shop in recent years: *Look* (twice), *Life* (reformulated), *Next*, *Post*, etc. On the other hand, our research suggests that there have been more new title entries in the past few years than ever before.

One question that begs our perusal is

Percentage of total advertising revenues

Year	Mags	Index to year ago	Tv Net	Tv Spot	Tv Total
1980	22.4	103	40.6	30.8	71.4
1979	21.4	99	38.4	33.8	72.2
1978	22.1	105	38.3	34.3	72.6
1977	21.0	105	38.7	34.3	73.0
1976	20.0	—	36.9	37.0	73.9

Magazines as a percentage of total billing

Year	Top 10	Year ago index	Top 12 (less cig. mfrs)	Year ago index
1980	17.9	98	12.5	102
1979	18.2	100	12.2	85
1978	16.7	103	14.4	110
1977	16.2	109	13.1	102
1976	14.8	—	12.8	—

Source: LNA

the relative cost of publishing versus revenues. It is no secret that paper and postage rates have spiraled at a quicker rate, in fact, than standard inflation. This of course, impacts on the profitability of magazines and may understandably be their greatest cause of concern. To what extent this is so is difficult to determine, but solutions to this problem (new modes of distribution) may not be too unrealistic to anticipate.

What does not fall in the realm of crystal balling is that magazines will pass along a part of these increased costs to consumers, some have already, in terms of higher newstand/subscription costs. Some loss of circulation results. In fact, Compton estimates that the top 50 magazines will drop over five million in circulation by 1990.

What can one conclude from all these numbers? As we suggested earlier, they are somewhat confusing. There are some trends that indicate uncompromising strength while others intimate otherwise.

We conclude that the future is bright for the magazine industry as a whole. While we may see less massive, generically oriented publications, we will see many more smaller, special interest ones. ■

OUT-OF-HOME
by ROBERT FLOOD
general manager/corporate outdoor,
D'Arcy-MacManus & Masius, St. Louis.

For shoppers only mall advertising

Of the many types of signs that go to make up the very broad and diverse advertising category known as out-of-home media, one of the most attractive and perhaps least-known is that segment called mall advertising. Unlike most other forms of out-of-home, this is a postwar or post-Korea phenomena. This is due principally to the fact that the habitat (the large regional mall) for these displays did not exist in sufficient numbers until the last 20 years or so.

The medium's inception dates to the late 60's when Ross Barrett, group vice-president of Metromedia, built the first structures in Southern California and christened the medium, "Peoples Gallery". Due to start-up costs, the infant medium lost money in the early years, and for tax reasons Metromedia elected to sell the mall sign network in 1971. But fortunately the concept and the company survived and prospered under the direction of Paul Lerew, the new owner.

The concept also appealed to another outdoor organization, 3M's National Advertising Company, and they entered the picture in the mid-'70's. Actually the idea was not new to National as they had pioneered the shopping center medium years earlier with signs hung from the lamp posts in the parking lots. Although the lamp post signs are gone now, the earlier experience stood them in good stead, and they expanded rapidly.

National now has signs in over 400 malls spread over 156 cities and is adding more. This total includes representation in 38 of the top 50 markets. Virtually all of their malls are confined to the top 200 markets.

Patterned somewhat after the free-standing European kiosks, both National and Peoples Gallery Mall Media offer an attractive three-sided structure with plexiglass faces. Mall managers insist on good housekeeping, so maintenance of signs in a first class condition is a must. While all signs are vertical in configuration, the two companies have different size standards with National employing a 40" x 50" copy area and P.G. opting for 46" x 60". At least one advertiser, R. J. Reynolds, has overcome the size differential by printing with a white border around the live copy for the larger units and trimming the border off for a bleed effect on the smaller signs.

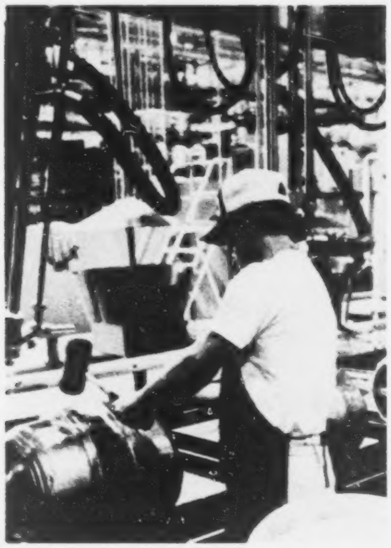
National estimates that 75% of their signs are illuminated from the rear . . . an obvious plus, although the ambient light in the mall is certainly adequate for easy viewing. Many of the signs incorporate a directory on one side with the other two faces devoted to advertising. The signs are located strategically in high traffic areas to provide maximum reach and high circulation.

The audience is 2/3 female, and 65% of the visitors have family incomes of $20,000 and up with over 50% in the $25,000 and up brackets. The average adult makes 4.2 trips to the center each month. With an estimated 40% plus of all retail sales occurring in shopping malls, the significance of this combination out-of-home/point of purchase medium is steadily growing.

While mall advertising offers an obvious benefit to any product or service available in the mall, not all shop-

BRAND REPORT 76:

Beer



As Anheuser-Busch and Miller dominate the field with a combined 51% share of U.S. beer sales, second tier brewers are struggling to work out mergers, and find ways to maintain media presence. Total media spending rose in 1981 by 2%, after three years of more dramatic increases.

More than ever, in 1981, the beer brewing business veered toward two-company dominance.

The giants of the field, Anheuser-Busch and Miller Brewing Company, tightened their ever-strengthening grasp on share of sales. Once mighty brands like Schlitz and Pabst are finding their market share slowly squeezed into relative insignificance.

But the maverick of the business, Heileman, with a plethora of regional brands, continues to build its business. Heileman Old Style is among the top 10 in barrelage for 1981.

Together, Anheuser-Busch and Miller accounted for 51% of industry sales in the U.S. last year, as the pressure on Schlitz, Pabst, Heileman and others for mergers or buyouts increased. But these efforts last year came to naught, when the Federal Justice Department ruled that the proposed Heileman and Schlitz merger would be anti-competitive. A Heileman bid to buy into Pabst was rejected. But in April this year, after initial objections, Schlitz did accept a stock offer from Stroh at $17 per share.

Meanwhile, the introduction of new brands in light and super-premium segments steamrollered as line extensions become almost as pervasive as in the cigarette business. The latest bold move is Anheuser-Busch's 38 state roll-out of Budweiser Light, which it hopes will finally provide some marketing leverage against Miller's vastly successful and firmly entrenched Lite.

Stroh, the still strong Detroit brewer, is trying a super-premium line extension. But the introduction of super-premiums by regional brewers has been risky; Olympia's Medalion, for example, had discouraging results. Coors, undaunted, is rolling out its premium priced George Killian's Irish Red ale this spring in its marketing area, and is taking a cautious approach with Herman Josephs'.

Imports, which hold a small share but have been coming on in the past five years, now own close to 3% of the U.S. market, with Heineken vastly out-distancing the second place Canadian brew, Molson. U.S. brewers who have signed distribution rights agreements with overseas brewers haven't met with much success, but neither have they put forward much advertising and marketing effort on behalf of those brands.

After several years of close to 4% increases in sales per year, the market flattened last year and showed a mere 2% increase. Most growth in market share was gained at the expense of other brands.

While the sales total expanded slightly, media expenditures tabulated by Leading National Advertisers, in conjunction with BAR, for the first three quarters of 1981, stayed nearly flat. The six media total for 1980, January through September was $242 million, as compared with $245 million for the same period in 1981. The increase for the year is likely to be under 1%, a stark levelling off after five years of unprecedented expansion.

Apparently, the competitors of Anheuser-Busch and Miller have been forced to trim their sails after the light and super-premium marketing battles of the past few years. The increase in 1980 over 1979 was 8%, while the 1979 increase over 1978 was 22%, and the increase the year before was 30%.

The spending patterns remain mostly unchanged, as network and spot television continue to be the anchor media for an industry geared for selling and reaching a mass audience that — by small degrees — includes a growing number of women. Spot radio is still a strong medium for brewers, with its access to local sports events that reach people driving, at the beach, or otherwise not within eyeshot of a television screen.

Anheuser-Busch

The preeminence of this brewer in the field was beyond question in 1981, as flagship brand Budweiser continued to build its staggering lead and reinforce its position as the best selling premium beer in the world.

A-B's other brands, Michelob and Busch, continued to do well, but Natural Light showed little momentum in 1981. In the light beer category — and there only — A-B has found the marketing terrain distressingly uphill. A-B's share of this fastest expanding segment of the business stood at 17% at the start of 1982, even with two brands on the shelves, Michelob Light as well as Natural. Still owning this segment is Miller Lite with a 60% share, and this has been a galling situation for A-B to accept.

Putting a brand up against Lite is the equivalent of running an untried new sitcom in the same time slot as *Three's Company*. So far, many have been called but few have been chosen.

But if A-B is going to break Miller's hammerlock on the category, it must make an enormous effort and stake the company's prestige on the outcome. That is just what is happening this year as A-B rolls out Budweiser Light in the North, Southeast and Midwest. The brand name of the king of beers is riding on the outcome of this new product introduction.

After test marketing the product since May 1981 in the South and Southwest, A-B rolled the brand out in March 1982, and expects to distribute it nationally by the end of June.

Copy for the new brand in television spots challenges: "Bring out your best." A-B marketing researchers have established that taste is the major factor in light beer purchase decisions.

Introductory commercials feature a single Clydesdale horse running freely, symbolic of the origin and heritage of the brand. Subsequent executions will depict competitive situations in popular participation sports. A sustaining commercial will also use the solo Clydesdale horse as a brand identity reminder.

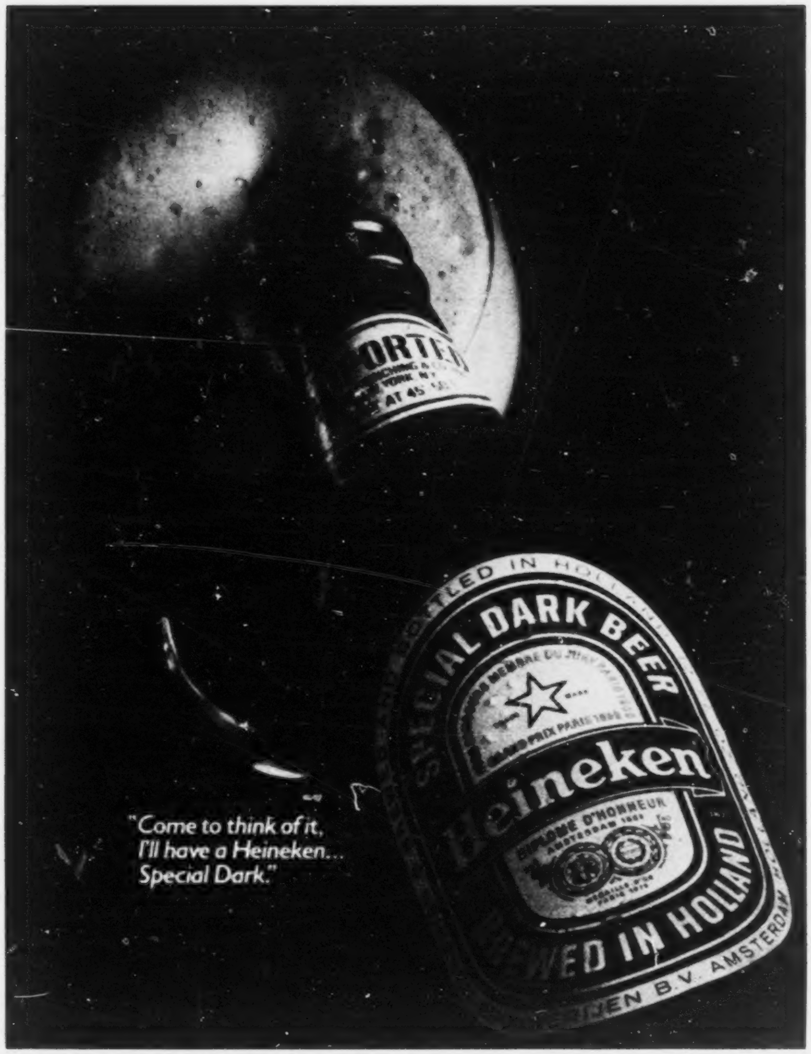
Budweiser Light gives A-B entries in all three price categories in the market, positioned between Natural and Michelob Light.

Once the brand is national, its media plan will look much like regular Bud's, with network and spot radio,

Beer media expenditures, first three quarters 1981

Brand	Total	Magazines	Network tv	Spot tv	Network radio	Outdoor	Percent change from previous year
Budweiser	$29,507,300	$ 806,400	$16,152,100	$9,532,000	$1,917,500	$1,090,000	+29%
Busch	7,700,600		430,200	6,946,200		324,200	−26
Michelob	28,072,600	2,584,500	21,676,200	3,496,900	197,400	117,600	+22
Natural Light	12,270,300	754,000	9,831,600	1,666,000	9,600	6,100	−02
Coors	10,639,900	15,600	3,992,700	5,814,700		816,900	+08
Coors Light	5,447,300			5,303,400		143,900	−02
Molson	2,025,400	1,119,400		633,700		272,300	−01
Olympia	10,052,600	25,400	4,840,300	4,892,000		274,500	+09
Pabst	12,291,600	855,700	4,457,300	6,740,600	26,000	212,000	+09
Lowenbrau	12,129,200	15,100	8,456,000	3,654,500		3,600	−03
Miller	22,998,600	258,200	17,264,400	5,363,700		112,300	−05
Lite	19,531,700	88,100	15,799,700	3,690,900		33,000	−07
Schlitz	9,869,900	493,400	6,747,200	2,011,100	64,200	554,000	−30
Old Milwaukee	4,771,200	302,400	1,064,800	3,404,000			+09
Erlanger	3,614,900	1,529,000		342,500		1,311,400	−59
Stroh	7,563,900		4,348,000	3,172,200		43,700	+16
Heineken	5,556,800	2,593,100		2,963,700		—	+66

Source: Leading National Advertisers/Broadcast Advertising Reports.



Heineken, now with SSC&B, still uses magazines and prominent depiction of the bottle, in addition to its recent move into tv.

magazines and outdoor to provide maximum exposure.

Meanwhile, regular Budweiser continues to build its brand share leadership and push to within a fraction of 20% of the total market.

In 1981, Budweiser really put the heat on its competitors, boosting its LNA spending from $20.9 million to $29 million, the largest expenditure for a single brand of beer, well ahead of Miller High Life's $24.3 million. The increases were in network and spot tv, with spot jumping about 80% to $9.5 million, and network up about 25% to $16.2 million. Outdoor nearly doubled to $1.1 million, and magazines edged up about 8% to $806,400.

A similar pattern can be seen for Michelob, which spent $28.1 million, a bit less than Budweiser. The use of spot tv was vastly expanded from under $1 million to $3.5 million, and network tv billing climbed from $19.7 million to $21.7 million.

The magazine budget was expanded by 50% to $2.6 million, and network radio got a boost to nearly $200,000.

Spending for Natural Light was down slightly at $12.3 million. The cuts were mostly in network and spot television.

A key area of expansion for A-B is cable television, with commitments to ESPN and a recent multi-year, multi-million contract with the Black Entertainment Television network, commencing in May, with exclusive rights in the beer category. A-B was a charter advertiser with BET when it first transmitted in January of 1981.

Charles B. Fruit, vp-corporate media, said of the move, "this is an expression of our ongoing confidence in the ability of BET to deliver programing that meets specific marketing objectives. It is also a way for us to let black consumers know that we value their patronage and that we want to be actively involved in activities that are of interest and benefit to the black community.

"We're positioning ourselves to be there when cable blooms," Fruit added.

As for A-B's apparent increase in its spot television budget, Fruit explained that it is the result of an expanded sponsorship program of local professional sports. A-B added to its local sponsorships to include six new teams, including the Yankees, Knicks and Rangers in the New York metro area. "This move is in line with our emphasis on sports," he said.

Another marketing move is the test of liter bottles for Michelob, which so far has been available only in 12- and 6-ounce bottles. No decision has been made for national distribution, as yet.

Coors

The one-time giant of the west has had several feet of its stature removed in the past five years, largely due to an intensive marketing effort by Anheuser-Busch in California. A-B contends it has lopped two or three percentage points off Coors' share in the past two years.

But the Golden, Colorado brewing company has been fighting fiercely to retain its share of market. Five years ago, Coors was a one-brand brewer. Going into 1982, Coors has a light brand extension, a super-premium — Herman Joseph — and, since March, George Killian's Red Irish ale.

The going with Herman Joseph's has been slow, as Coors tried a variety of price and media mixes in the Southwest, and recently expanded the brand into Colorado.

But the company's success remains tied to Coors regular and light, which have had sales problems. While Coors light quickly rose to the number two spot in national sales, other brewers contend much of that growth was at the expense of Coors regular. Coors execs admit a 10% cannibalism rate.

1981 brewery shipments for 1981 show Coors with 13.26 million barrels, down 3.8% from 1980's 13.78 million barrels. But a strong fourth quarter was reported.

With its expansion into southern states, Coors regular is increasingly able to benefit from network television. Through its agency, Ted Bates, Coors worked out a joint arrangement with Stroh for a split network buy, with Coors getting the area west of the Mississippi. Accordingly, the network budget went up in 1981 to over $4 million, more than double what it was in 1980. As a consequence, spot tv expenditures declined, but only by about $1 million. Outdoor was also up in 1981 to about $1 million, nearly a 20% jump over 1980.

1981 Brewery Shipments

	'81 Bbl (Mil)	'80 Bbl (Mil)	% Change '81 vs '80
A-B	54.5	50.2	+8.6%
Miller	40.3	37.3	+8.1
Schlitz	14.3	14.95	−4.3
Heileman	13.96	13.27	+5.2
Pabst	13.46	15.09	−10.8
Coors	13.26	13.78	−3.8
Olympia	6.71	6.09	−6.3

Source: Brewery Year-End Announcements — Beverage World

But for the first three quarter, Coors Light expenditures in spot tv declined, and overall, for the first three quarters of 1981, the total for the media was down. There was a small increase in outdoor.

Coors has also been active in creating and using specialty programs — among them *The Great Western Outdoorsman* on spot television, and active participation in The Pro Rodeo Network on radio. These efforts, while not high budget buys, maintain the western and outdoor image.

Heileman

The maverick of the brewing industry is proving the effectiveness of its pinpoint marketing with numerous brands in a variety of areas as an effective response to the national strength of Anheuser-Busch and Miller. Heileman markets 24 brands, among them six lights, two malt liquors and one super-premium. Heileman was also only the third major brewer, along with Anheuser-Busch and Miller, to post a barrelage gain in 1981, a 5.2% increase. This was from 13.27 million barrels in 1980 to 13.96 last year, short of the goal of 14.5 million barrels, but moving up to fourth place in barrelage.

Heileman president Russell G. Cleary contends that second tier brewers need to merge to effectively compete with A-B and Miller. However his merger efforts have been frustrated by the Justice Department, which blocked the Schlitz merger. "The preservation of competition in the brewing industry by necessity will require further combinations within the second tier brewers in order to assure competition, particularly in the Sun Belt states where A-B and Miller have huge market shares," he commented in published sources. "It is hoped that the Department of Justice will be more realistic in view of the rapid growth of the two largest brewers, who now have the majority of U.S. beer sales."

In Cleary's view, the beer business is regional, and the company has concentrated on the acquisition of regional brands while building those it already owns. "We have chosen not to force our brands into new markets but to build on the regional brands we have acquired. They have been there for years and mean something to people," he says.

"If you look at the brewers below number two, you will see that they don't have uniform sales across the nation. Each brand sells well in a particular area. If we were to buy Pabst or Schlitz or whoever, there would be no reason to try to sell the brands nationally. You just want to fish where the fish are."

Cleary has indicated that the company would like to expand in the fast growing southern market. "Obviously, we would like to develop a southern strategy that would get us a piece of that market, because Miller and Busch, due to their plant locations, pretty much dominate those locations."

But, Cleary states, "Our number one objective is to stay number one in the charts which indicate we are first in return on equity growth. To try to play that mega-billion game with these guys would be a real mistake. They can outbid us on every athletic event — even on television. To play their game would be like playing poker with Howard Hughes; he could outbid you every time."

Consequently, Heileman, with its 24 brands, has been primarily a spot television and spot radio advertiser. Last year it invested about $34 million. But Cleary is realistic about the effect of his limited budget. "We've got the BB-gun going against the cannons of the competition."

Averaged out, that's about $1.5 million per brand, but in practice, some get more, some less.

The most luxuriously treated brand last year was listed by LNA/BAR as Heileman, which includes Old Style, Old Style Light and Special Export, the company's flagship brands. These brands were treated to network television to the tune of $1.8 million. That figure was up from $1.1 million in 1980.

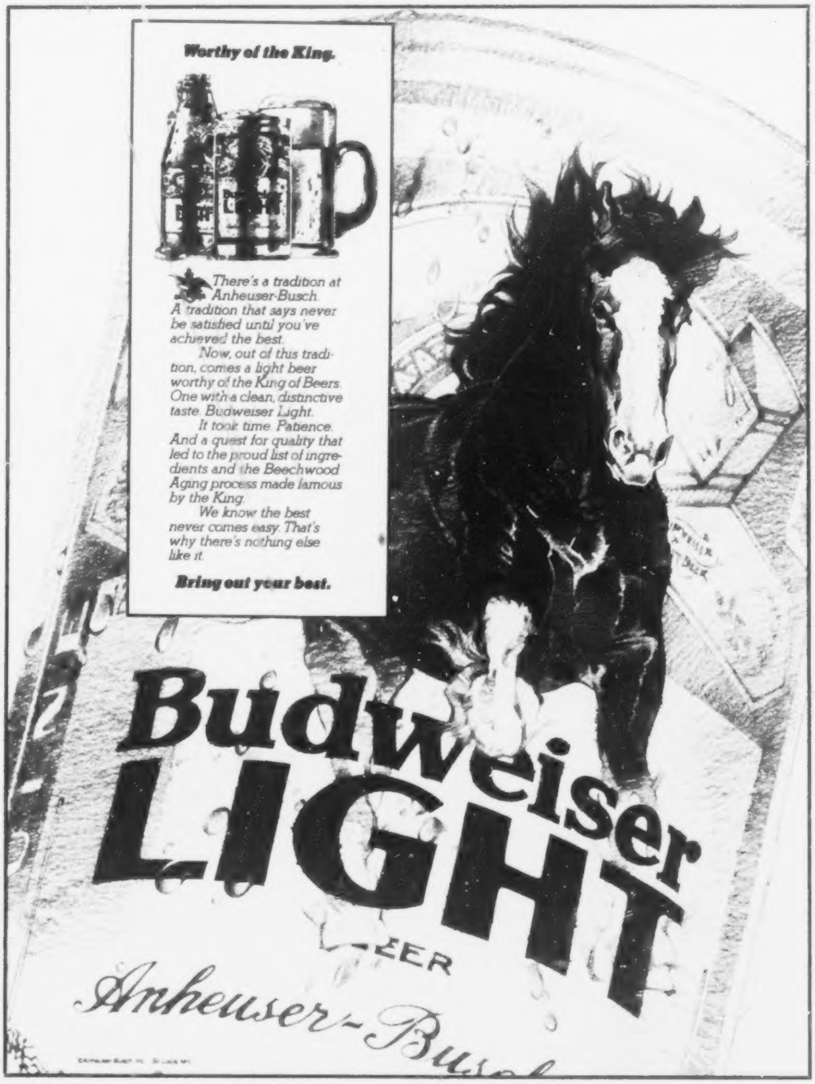
Creative for Heileman's brands is simple, focusing on the tangible consumer benefit from the product rather than the lifestyle associations so dear to some national advertisers.

John Edase, vp, marketing for Heileman, says that national and local network were used only on Colt 45 malt liquor, and for Old Style. The budget for 1982, he says, is up 10%.

Commenting on creative, he added, "There's room for only one star in our commercials, and it has to be the product itself."

Miller

By keeping pace with Anheuser-Busch, Miller Brewing solidified its hold on the number two spot. Miller's shipments last year climbed to 40.3 million barrels, 8.1% over 1980's 37.3 million barrels.



Worthy of the King.

There's a tradition at Anheuser-Busch. A tradition that says never be satisfied until you've achieved the best.

Now, out of this tradition, comes a light beer worthy of the King of Beers. One with a clean, distinctive taste. Budweiser Light.

It took time. Patience. And a quest for quality that led to the proud list of ingredients and the Beechwood Aging process made famous by the King.

We know the best never comes easy. That's why there's nothing else like it.

Bring out your best.

Anheuser-Busch is using newspapers for the introduction of its Budweiser Light, with 195 liner, six-column ads. Creative uses package registration image and short copy style.

Miller's strength continues to build mainly on sales of Lite, which became the number three selling national brand. Miller's super-premium Lowenbrau has not shown noticable momentum despite substantial media support since its introduction.

Efforts to introduce new products in addition to Lite in recent years haven't gone beyond test market. Miller Ale and malt liquor have had scanty advertising support, at best. But a new super-premium is showing promise.

So Miller continues to be a three brand company, with High Life and Lite going strong, and Lowenbrau as the potentially weak member of the brand team.

Spending on these three brands for the first three quarters of 1981, on primary media network and spot television was down slightly in comparision with the same period of 1980. As measured by LNA/BAR, Lite had the largest drop, from $21 million, to $19.5 million. One difference between the two years is that Miller opted for a token presence in magazines. Even in early 1982, Miller had the back cover of *Film Comment*, reaching for audience it could be missing by such heavy reliance on television and sports vehicles. The major expenditure was for High Life, with $258,200 in magazines in 1981, up from $141,300 in 1980.

But in trimming its media sails, Miller certainly didn't diminish sales momentum. Growth of sales for the brewer was just half of one percentage point lower than industry leader Anheuser-Busch.

Executives at Miller decline to comment either on published figures from LNA/BAR or disclose what media expenditures actually are. There may have been no actual decline in spending.

But a company spokesman did report that Miller would continue to seek sports sponsorships and adjacencies in network television. "We continue to look to network sports to be a beneficial and major part of our advertising program."

Miller is also expanding test marketing for its new super-premium Miller Special Reserve. The brand was expanded from three markets, Rhode Island, Denver and San Diego, in late March, to include Tucson, Fresno, Atlanta, Rochester, Baltimore and Milwaukee. The theme for the brand, created by Young & Rubicam, Chicago: "Taste the best in life."

Miller's spokesman says: "We've been very pleased with what happened; the performance has exceeded our expectations."

In deflecting speculation about the reasons for bringing out a second super-premium, the spokesman noted that expansion in that market segment is running at about 25% a year. Certainly, Miller Brewing would like the industry to think that segment growth rather than disappointing performance by Lowenbrau is the primary motivation for the introduction of Special Reserve.

Pabst

This beleagured big brewer is only one of several beset by declining sales, management changes, and the consolidation of business in the marketing hands of Anheuser-Busch and Miller. Despite an agency change and shifts at the top, Pabst has had trouble holding its own.

In 1981, Pabst shipped 13.46 million barrels, down 10.8% from the 15.09 million barrels of the previous year.

The growth in the light beer category didn't carry Pabst along with it, although a new light beer is due for introduction in late spring. Nor did Pabst do much with its super-premium Andeker, which had been scheduled for wider distribution and weightier media support.

To correct some of these difficulties, Pabst abandoned the brand manager system late last year and set up an in-house advertising department. Under the direction of Richard Ratcheson, the new department is working on a new theme for the Pabst brand. Apparently, McCann-Erickson's most recent minimalist copy art for Blue Ribbon created no great waves in the marketplace.

Spending for the Pabst Blue Ribbon brand edged up last year about 9% to $12.3 million, with more money invested in spot and network television, and about 40% less in magazines than in 1980.

The plan for 1982, Ratcheson explains, "takes Pabst entirely out of network television. The primary thrust this year is on spot television for Pabst Blue Ribbon, for which media is being tailored on a market by market basis."

Magazines are also off the 1982 schedule, save for the use of trade magazines for promotion to the trade. Spot radio, however, is being continued in 1982. The brand manager system was replaced by an in-house advertising department, Ratcheson said, "to achieve cleaner line of communication with the agency. It also allows us to better coordinate the activity of all our brands. We can rely on them for media services and promotional activities."

The new advertising department continues to work with McCann-Erickson.

Pabst's super-premium brand, Andeker, gets little media support — this after some activity in the previous two years — as the company focuses its major efforts on the flagship brand, Blue Ribbon.

In the new product area, Pabst is putting Jacob Best premium light beer into test, named for the company's 19th century founder. It is Pabst's second light beer, the first of which is Extra Light.

And in mid-March, Pabst took a page from Heileman, by purchasing the small Pittsburgh Brewing Company.

Schlitz

The one-time number two brewer in the U.S. still holds the number three slot, but its lead over Heileman and others in the second tier is anything but vast. A merger with another brewer or outright purchase by a well financed company from outside the brewing business no doubt would benefit Schlitz.

With diminishing sales come diminishing advertising dollars and that tends to produce a self perpetuating downward spiral.

Schlitz made a valiant effort with the 1981 NFL playoffs and Super Bowl, with its very expensive taste-test commericals, but the results weren't conclusive enough to reverse the trend of the previous years.

Last year Schlitz's shipments declined 4.3%, from 14.95 million barrels to 14.3 million barrels.

Media expenditures for the Schlitz brand declined by $4.5 million, as the use of magazines was expanded, and network and spot tv were cut back.

Expenditures for Old Milwaukee, the popular priced brew, increased slightly, according to LNA/BAR, as magazines were added to the schedule. Schlitz's super-premium brand, Erlanger, took the sharpest spending cut, slipping from $8.8 million to $3.6 million. In a sharp strategy shift, outdoor was vastly expanded to $1.3 million, spot tv trimmed from $2.6 million to $324,000, and magazines increased from $904,000 to $1.5 million. Network television, which had accounted for $5.3 million in 1980, was cut totally from the Erlanger schedule.

Schlitz is continuing to use chief executive officer and brew master

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We sweep your message through this 91-county market!

A CBS AFFILIATE

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KELO-tv SIOUX FALLS, S.D.
and satellites KDLO-tv, KPLO-tv

Source: Arbitron Sweeps, Nov. 1981. Affiliates of all three networks in equal facilities markets. Survey data estimates subject to usual qualifications.

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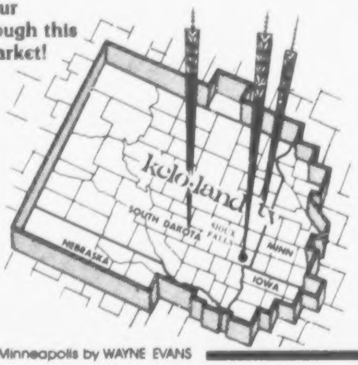

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Frank Sellinger as spokesman for its flagship brand. Sellinger is shown on tv commercials talking to consumers who are sworn Budweiser-to-Michelob drinkers, who respond favorably to Schlitz.

But Schlitz isn't commenting on the upward or downward movement of its advertising budgets. With broadcast costs constantly increasing, apparently Schlitz is looking to other media, magazines and outdoor, to get equal visibility, if not impact, at a lower price.

A Schlitz spokesperson says that, although more money is being invested in magazines, that isn't to be interpreted as a rejection of network and spot television. Both are still considered to be most important in the media plan. But the increased magazine expenditures, the spokesperson says, represent an effort to bring greater attention to and support of the Schlitz point-of-purchase promotion program.

Imports

Although they hold just under three percent of the market, imports have been on the rise since 1970, when they held under one per cent. Predictions about their future vary. Conservatives suggest they will top out at about 5% at the end of the decade, while optimists foresee a ten percent share by 1990.

Whichever prediction is accurate, they can be counted to spend heavily to hold and build share, and will continue to invest more in media dollars than is represented by their share of market.

Advertising by imports continues to be regional and probably will stay that way, as distribution is clustered in the Northeast and on the West Coast. Even the redoubtable Anheuser-Busch took its import, Wurtzberger, out of distribution in the Midwest and is confining its marketing of the product to the Northeast region.

In a move in the opposite direction, Heileman has taken on the distribution of Beck's light and dark, in a 22-state area.

Heineken

The most successful import in the U.S., Heineken has established a strong grip on the market. It has a 42% share of import sales — more than Budweiser has among domestics. Under the aegis of importer Leo Van Munching Inc., Heineken increased its share by 2% last year, and made its first firm commitment to television. Ironically, Heineken made its first tv appearance in commercials for its competitor, Kronenborg.

After years of success with Doremus, Uptown, Van Munching opted for a larger agency with television expertise, SSC&B. In the 1970's the strength of the brand was built with magazines and spot radio.

The move into spot television, with the theme, "Come to think of it, I'll have a Heineken," has more than doubled media expenditures. With $3 million in spot tv and an increase in the magazine budget from $1.6 million to $2.6 million, Van Munching is now spending on a par with some of the stronger regionals.

Kronenbourg

This French brew of Alsacian origin was found only in French restaurants five years ago, but in the last two years, the brand's push into the Northeast has been aggressive. Kronenbourg's U.S. marketing arm says it spent close to $5 million on advertising last year, and will spend more in 1982.

The brand has been positioned directly against Heineken, with copy proclaiming: "In Europe, they like Heineken but they love Kronenbourg." Some market observers question the strategy of head-to-head advertising for a brand that isn't yet firmly established.

Witty jingles extolling Kronenbourg are used for spot radio.

While Kronenbourg is pushing hard, the brand is still some distance from Heineken's big market share.

Molson

The number two brand is Canada's best selling brand in the U.S. but remains well behnd Heineken. Figures compiled by LNA/bar show Molson focusing its efforts in spot television outdoor, and magazines. But in 1981, Molson spent less than in the previous year. The decrease came out of the outdoor budget, which dropped from $369,800 to $272,300. Magazines and spot tv remained consistently in the $1.2 million, and $650,000 range, respectively.

Conclusions

Merger efforts and buyout attempts will undoubtedly jostle the industry for the next 18 months. The most recent effort of Stroh Brewing Co. of Detroit, to gain control of Schlitz is typical, and so is Schlitz's effort to block the Stroh offer.

Schlitz went to the U.S. District Court in Madison, Wisc. to block the Stroh move, contending that the Stroh offer "constitutes a fraudulent, deceptive and manipulative device, and contains false and misleading statements and omissions of material facts, all in violation of Federal Securities laws."

Stroh, in turn, says the Schlitz accusations are "without merit" and that its attorney intends to dispute the Schlitz contentions.

Stroh offered to buy two thirds of Schlitz common stock at $15 a share, for a total of $315 million. Stroh planned to use Schlitz funds if the takeover was successful, to acquire the remaining third of common stock.

The Schlitz directors rejected the Stroh bid, with a unanimous rejection. In a letter to their own shareholders, Schlitz executives suggested that it should be Schlitz taking Stroh rather than the other way around.

The Stroh/Schlitz bid and response are symptomatic of the problems that beset the second tier brewers. None of them feel their survival is secure under present market conditions, yet none wish to relinquish corporate identity in a takeover that ensures the survival of another brewer.

Second tier brewers face even stiffer competition this year as Anheuser-Busch rolls out its Budweiser Light, and Miller tests its new super-premium Special Reserve. While Budweiser Light is ostensibly setting out to take share from Miller Lite, if successful, it will take share from regional light brands as well. If Miller rolls out Special Reserve nationally, that will increase the pressure.

As the A-B and Miller dominance grows, new product introductions by second tier brewers will become more risky, leaving them with their established but gradually faltering brands. Thus, mergers will be dictated by worsensing marketing conditions.

Fred Gardner

WHATEVER AUDIENCE YOU'RE SHOOTING FOR, GO WITH THE BIG GUNS

Observer
News

The simple truth of the matter is this: No matter what audience, what demographics, what market group you're trying to reach in the Carolinas, the big guns in this active marketplace are The Charlotte Observer and The Charlotte News. No other media come close to reaching the over-$15,000 and over-$20,000 income groups as effectively and in as much depth as these two newspapers. Or as economically.

And with area unemployment that's slightly more than half the national average, it's a stable, consistent market as well.

For all the facts, figures, demographics and information about the Charlotte metro, PMA, SMSA and ADI market areas, contact Gene Williams, Vice President and Advertising Director.

He'll show you how to hire the biggest guns in the territory without blowing your bankroll.

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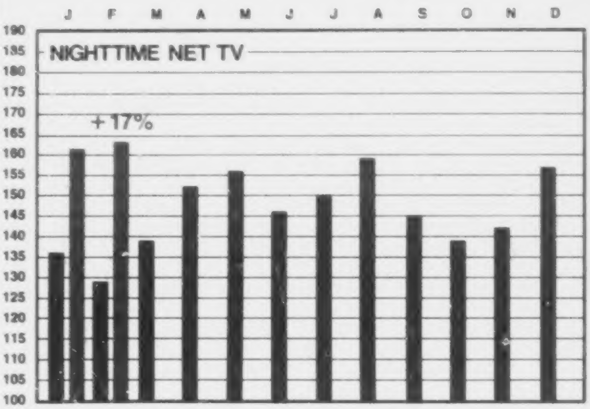
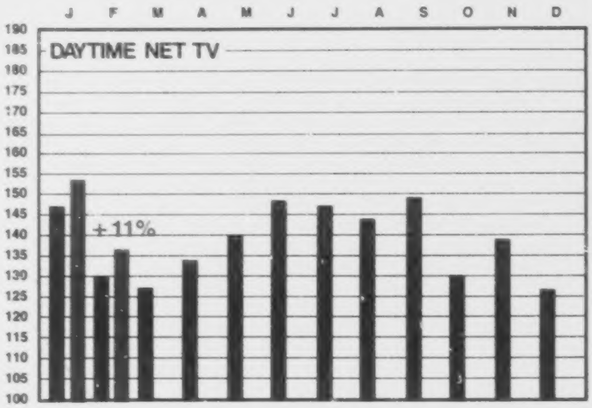
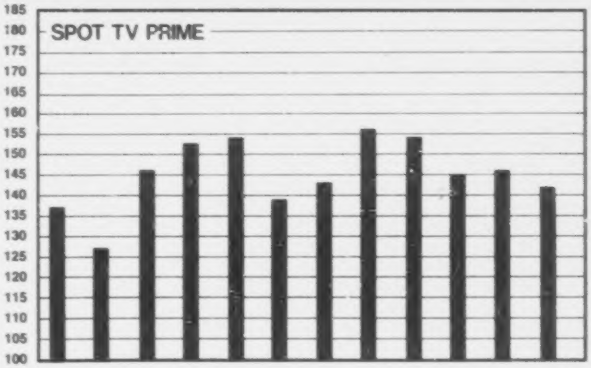
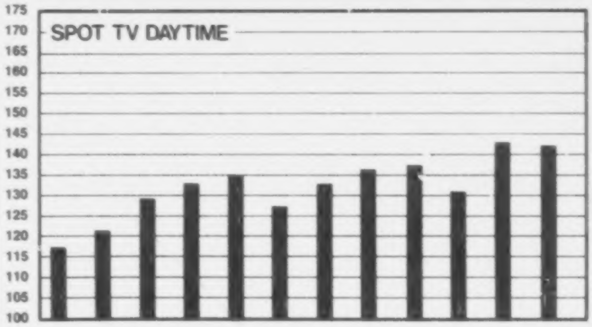
MEDIA COST INDEX

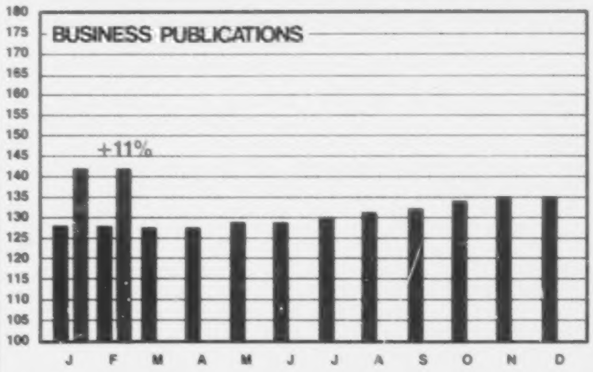
Black bars index for 1981; red bars 1982; base year 1977











As mentioned last month in this column, **recession talk is having no effect on media prices.** They're taking big jumps as the new year rolls out.

Nighttime net tv is 17% ahead and **daytime net tv** 11%, reflecting the dimension of the usual year-end rate hikes — matching an 11% increase in consumer magazines, and for the same reasons. Magazine publishing costs are up in the four "p's": paper, printing, postage and people.

Daily newspapers in January were pricing themselves 13% over January 1981. **Outdoor posters** (reported through March) were up 13% over last year for that month, a bit more over previous year prices than in the first two months of 1982.

Only radio showed signs of a weakening market position after several years of growth in volume and prices. **Net radio** for February 1982 was priced 9% below the same month in 1981. **Spot radio** was up 10% in price in March according to our present method of estimating. We have hopes of revising the estimating procedure for this medium, however, in the near future; and we will not be surprised if the revision shows more favorable pricing.

Continued on page 168

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m.
Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.
Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977